

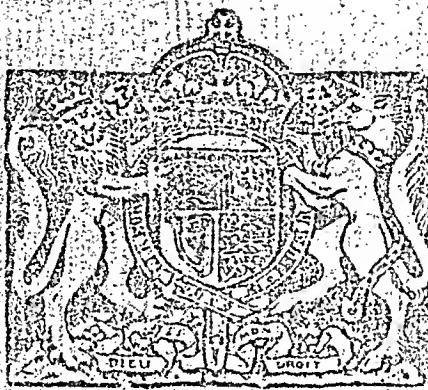
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BULLETINS
OF
INDIAN INDUSTRIES & LABOUR

No. 63

SICKNESS INSURANCE



Published by order of the Government of India

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BULLETINS OF INDIAN INDUSTRIES AND LABOUR

No. 63.]

1937

[September.

INTRODUCTION.

That portion of the Report of the Royal Commission on Labour which discusses the provision for workers during sickness is set out at pages 2-6 of the Bulletin. Their views were carefully considered by the Government of India, in consultation with the Standing Advisory Committee of the Indian Legislature attached to the Industries and Labour Department, and Provincial Governments were addressed in a circular letter of 30th April 1935 (pages 7-16 of the Bulletin). They were asked to report on the feasibility of the statistical enquiry contemplated by the Royal Commission, a matter on which the Government of India expressed grave doubts, and, alternatively, on the possibility of building on the actual experience gained in the operation of small experimental schemes. The replies of Local Governments and of selected associations are now published for information.

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Extract from the Report of the Royal Commission on Labour in India
(1931), Chapter XIV Health and Welfare.

* * * * *

THE NEED OF PROVISION FOR SICKNESS.

The question of making provision for workers during sickness, even if it had not been previously raised by Government, would have been forced on us by what we found in every industrial centre. Of the great need of the workers for something of this kind there can be no doubt. By common consent the incidence of sickness is substantially higher than in Western countries ; the medical facilities are much less adequate, and the wages generally paid make it impossible for most workers to get through more than a very short period of illness without borrowing. Indeed, sickness is an important contributory cause of indebtedness, with all that debt entails under existing conditions ; for often, at his time of greatest need, the worker may find himself destitute of resources, unable to take proper measures to restore his health and in difficulties regarding even the means of subsistence. The situation calls for the exploration of all methods that may lead to the alleviation of the existing hardships.

International Labour Conventions.

These considerations were recognised by the Government of India in 1928 in considering the Draft Conventions and Recommendations on the subject of sickness insurance which had been adopted by the International Labour Conference in the preceding year. They stated that they were satisfied that the introduction in India of any comprehensive scheme on the lines of the Conventions was not practicable in existing conditions. But, after observing that they were "in entire sympathy with the ideals" underlying sickness insurance legislation, they added "They are satisfied that the need of Indian workers for some provision is in no way less than the need of workers in other countries, and the problem, as it presents itself to them, is one of determining the extent to which the serious practical difficulties that must attend the introduction of any scheme can be overcome". The letter containing these views was addressed to local Governments, who were asked to investigate the question, the suggestion being made that the examination might be entrusted to small informal committees of employers and employees. The results of the investigation which have been supplied to us show that five committees were appointed. The Madras committee was unable to suggest any satisfactory scheme and favoured actual

experiments. The United Provinces committee favoured a scheme for a general provident fund to provide not merely for sickness insurance but for unemployment, old age, marriages, funerals, religious rites, festivities and other "social events". The Punjab committee recommended the application of a scheme of sickness insurance, but did not enter into details. The majority of the Central Provinces committee were emphatically of opinion that any scheme of compulsory insurance was unworkable in practice. A conference held in Burma came to the conclusion that the immediate introduction of even a limited scheme was impracticable. In replying to the Government of India the Governments of the provinces in which these investigations were held all stressed the financial burdens involved in State assistance to any scheme. This was also emphasised by the Governments of the other major provinces except the Government of Bengal, who took no action in view of the impending appointment of this Commission. Neither this consideration of the question nor the further evidence supplied to us can be said to have brought a solution much nearer. There has been a tendency on the one hand to overlook the difficulties and on the other to be content with stressing them. That the difficulties in the way are formidable must be recognised. The main difficulties include following the workers to their villages, arranging for proper medical treatment there, and providing for medical certification, in order to enable workers to obtain extended benefits should sickness continue. The lack of faith in modern medical methods is still an important factor, and the administrative expenses likely to be incurred in working on a national or even a provincial scale a system of insurance based on Western lines would probably be extremely heavy. But none of these arguments diminish the need of the worker for provision during sickness.

Statistics of Sickness Incidence.

Unfortunately, the examination hitherto given to the subject has not provided what must be regarded as an essential preliminary to the framing of a satisfactory scheme. What is required is an estimate of the incidence of sickness among workers whom the scheme is designed to cover. Without this it is impossible even to guess at the cost of any benefits which it is desired to provide or conversely, the benefits which can be secured from any given contributions. The collection of the necessary material for the framing of an estimate, therefore, is the first task which should be undertaken. The amount of material already available is extremely scanty. In response to a suggestion from us the Director of the Labour Office at Bombay kindly made an endeavour to conduct an investigation into the matter; but, having regard to the very short period of about three months over which the

enquiry was made and a number of other special factors mentioned in his report, the result can hardly be taken as giving much guidance, even for the class of workers to which the enquiry related. What are required are figures showing the incidence of sickness for definite groups of workers over a comparatively long period, and it is unlikely that such figures will be easy to obtain. The railways and Government factories, most of which have schemes for the grant of leave on account of sickness, may be able to give some assistance; but in both cases workers are generally engaged after medical examination and thus represent a selected class. A number of employers have sickness benefit schemes, and their co-operation might be secured. It would be of special assistance if a few employers would agree to make experiments in the grant of sickness benefits either on a contributory or on a non-contributory basis, and to maintain records of their experience. But assistance secured from these sources will almost certainly require to be supplemented by special statistical enquiries in selected centres, and we recommend that these be instituted as soon as possible. The collection of the statistics should be made with expert medical and actuarial advice and with the co-operation of persons qualified either as employers or as representatives of labour. The preliminary enquiries might be conducted by the Government of India who might secure for the purpose from the Central Legislature a small informal committee, including representatives of capital and labour. These, with medical, actuarial and statistical assistance, should be able to advise regarding the nature of the statistics required, the centres in which they might be collected, the sources from which they should be obtained, and the means of obtaining them.

A Method of Attack.

We recommend that, thereafter, the question of framing schemes be referred to a carefully selected formal committee who might be instructed to examine the material and to make recommendations for the institution, if and where possible, of definite schemes. In the first instance, it may prove advisable to start on a small scale with a view to gaining experience. In instituting measures of this kind, there is a greater possibility of achieving success by building on an existing foundation than by introducing methods which are entirely foreign to the country. The British sickness insurance scheme, for example, was built on the broad foundation of the Friendly Societies with their years of accumulated experience. Nothing of the kind is in existence in India. On the other hand, there is, in certain directions, the nucleus of a different form of provision for medical and financial relief in cases of sickness. Government and many private employers already provide

medical facilities. In addition, most Government establishments make provision for the grant of leave with pay which can be utilised when the worker is sick. A few employers make some provision for the grant of sick pay and allowances, e.g., the Bihar and Orissa Government stated in 1929 that in the Jharia and Raniganj coalfields, out of 214 working mines, 68 paid sickness allowances. Although the proportion of workers serving private employers who are provided with sickness benefits is extremely small, the Government schemes have made the idea fairly familiar in India. These schemes are non-contributory, but we have no reason to believe that the collection by employers of reasonable contributions from workers will be a matter of serious difficulty. Pursuing this line, we proceed to give the outline of a possible scheme and commend it for examination.

A Tentative Scheme.

This scheme is based on the assumption that responsibility for the medical and for the financial benefits will be separated. The former could be undertaken by Government, possibly on a non-contributory basis, and the latter through employers on the basis of contributions by themselves and by the workers. In India, the extension of medical facilities by the State offers advantages which are less likely to be secured by a scheme of private medical service based on a system of insurance, and the need of such extension is everywhere evident. It should not be difficult to devise arrangements whereby such medical services as are maintained by private employers may continue to operate in conjunction with a State scheme. Public expenditure directed towards the assistance of private schemes might in many cases produce more substantial results than equivalent sums devoted directly to state provision. So far as sick allowances are concerned, the employer might be required to deduct a certain percentage of wages to credit this to a fund, and to add thereto contributions of an equivalent amount, or rather more in the case of the more poorly paid. Workers who had contributed to the fund for a minimum period, e.g., one year, might, if certified as sick and likely to remain so for more than a specified short period, be granted sick leave. Provision might have to be made for some refund to those workers who left employment after subscribing and before they had been covered by the insurance for a reasonable period. The period of leave need not bear a strict relation to the duration of the illness, but could be fixed on some arbitrary lines, e.g., to begin with, a fortnight in some cases and a month in others, and it would be subject to an absolute limit, e.g., one month in any year. During the period of sickness, the worker would be entitled to a proportion of his wages which would be paid from the fund by the employer.

In the initial stages it would be possible for the employer to appoint the medical officer who would grant certificates, but it would be necessary to ensure that the employer was not in a position to benefit from the accumulation of a balance in the fund. The supervision and audit of funds by the State would be necessary. After providing a suitable reserve for epidemics and other emergencies, the balance could be devoted towards increasing the annual period of sick leave that could be granted. Similarly, if on account of the number of claims, the income of the fund proved unequal to the expenditure, it would be necessary to reduce the periods to secure solvency. Such schemes could operate on the basis of single establishments, where these were large enough, and small establishments might be combined for the purpose.

Medical Attendance and Cash Benefit.

By the time the statistical material has been collected, it may be possible for a more complete scheme to be devised. The main question to be considered at this stage will be how far medical attendance and cash benefits can be correlated. If the two were kept separate, it would be a reasonable criticism that those workers who did not utilise the medical facilities provided were increasing their claims on the fund at the expense of others. On the other hand, in some cases a return to the worker's village is likely to be of as much benefit to health as medical attendance in the city, and the keeping of the two branches of relief entirely independent would eliminate the difficulties that would arise if the period of leave could be extended by supplementary medical certificates.

Government of India, Department of Industries and Labour Circular letter No. L.-3019, dated the 30th April 1935, addressed to all local Governments and Administrations.

I am directed to address you on the subject of framing a scheme of sickness insurance for industrial workers in India.

2. The subject of sickness insurance was discussed by the Royal Commission on Labour in India at pages 265—269 of their report. The Commission held that the situation called for the exploration of all methods that might lead to the alleviation of the hardships due to the absence of an insurance scheme. They recognised that the statistical material available was insufficient, and recommended that special enquiries should be instituted at selected centres as soon as possible. These preliminary enquiries were to be conducted by the Government of India with the assistance of a small informal Committee drawn from the Central Legislature. The Committee, aided by medical, actuarial, and statistical experts would, it was thought, be able to advise as to the nature of the statistics required, the centres where they might be collected, and the means whereby they should be obtained. It was only when these preliminaries had been completed that the question of framing schemes could be examined.

3. This recommendation has been examined in consultation with the Standing Advisory Committee of the Central Legislature attached to this Department. The Committee has had the assistance of the Public Health Commissioner on the medical aspects, and in considering the form in which the statistics should be collected, the Government of India were able informally to secure the advice of the Government Actuary's Department in London. The advice given indicated that an elaborate analysis would be required, over a series of at least five years, of the experience as regards sickness and employment of a representative sample of the industrial population. The requisite statistics would have to be collected on "experience cards" to be completed for each individual worker in the sample by a large number of employers throughout the country. A copy of the form of "experience card" suggested and of the connected instructions is enclosed (Enclosure 1).

4. The proposals of the Commission are not free from ambiguity. The Commission evidently had in view the possibility of the ultimate establishment of a comprehensive scheme applicable to the workers employed in organised industry, and believed that any such scheme would have to be based upon the statistical enquiry which they recommended. But they attached great importance to actual experience and suggested "A Tentative Scheme" applicable to single establishments,

which may have been designed to afford a practical test of the statistical material or may, on the other hand, have been intended for independent adoption. I am to observe that whatever the Commission intended there is in fact no reason why tentative schemes of the kind they suggested should await a statistical foundation. Such schemes as are contemplated on pages 268-9 of the report can be introduced wherever medical facilities are or can be made available, provided that the employers and the workers are willing to make the necessary contributions.

5. The statistical enquiry is thus not the only possible method of approach to the problem, and for the following reasons the Government of India doubt whether any advantage is to be gained by proceeding with it :—

- (a) The maintenance of the experience cards will be difficult and probably a costly task, which it will be impossible to prevail upon employers to undertake ;
- (b) Even if the administrative and financial difficulties were overcome, statistical results obtained in the absence of benefits would be extremely unreliable, because there would be no effective check on their accuracy ;
- (c) So far as the Government of India are aware, no local Government or large body of employers is at present likely to institute any comprehensive scheme ;
- (d) Even if there were a prospect of a comprehensive scheme being undertaken, it would be a sounder and quicker method of proceeding to institute small empirical schemes, and to build on experience rather than on theory.

6. I am to request that the Government of India may be favoured with the views of the Local Government ^{your views} on the feasibility of a statistical enquiry of the kind contemplated by the Commission, and on the alternative possibility of building on the actual experience gained in the operation of small experimental schemes. With a view to assessing the extent and value of the material already available the Government of India would be glad to receive detailed information in the form appended (Enclosure 2) of any schemes actually in operation in industrial establishments which involve the payment of financial benefits. I am to request that if possible a reply to this letter may be sent to by the 31st October next.

ENCLOSURE I.

Introductory.

1. The object of this investigation is to obtain statistics of the sickness experienced by Indian workers in factories and other industrial establishments with a view to determining the probable cost of a scheme

for provision during sickness as recommended by the Royal Commission on Labour in India on page 267 of their report. It is proposed to collect the necessary information in respect of each worker covered by the investigation on a card, a copy of which is attached.

2. The suggested commencing date of the investigation is.....
.....and Part A of the card should be completed in respect of every Indian worker in receipt of wages at a rate not exceeding Rs. 100 per mensem who is in the employer's service on that day. Part A of the card should similarly be written up at the time of his entry in respect of every Indian worker as aforesaid who enters the employer's service during the period of five years from the date of the commencement of the investigation.

3. For the purposes of Part B of the card "temporary absentee" means absence from work for any period not less than four days and not exceeding two calendar months.

4. For the purposes of Part C of the card a worker is regarded as having left his employer's service when he :—

- (a) dies or is dismissed or
- (b) is absent from work for any other cause for a continuous period exceeding two calendar months.

An "exit" is the act of leaving the employer's service as defined above. The date of exit is determined in the manner prescribed in paragraph 5 of the instructions for the completion of Part C.

5. Employers who have in operation schemes for the payment of full or part wages, or sickness benefit, to workers who are incapacitated on account of sickness are asked to be good enough to furnish a statement describing the scheme, with any available statistics of its working in recent years. Similarly where a scheme of maternity benefit or a housing scheme is in operation, full details should be supplied with the completed cards.

EXPERIENCE CARD.

Indian Workers Sickness Investigation.

Name of Employer.....

Town..... Province

PART A.—Name, etc., of Worker.

Name..... Sex.....

Father's name

Husband's name

Nature of industrial employment.....

month

Wages per week

other stated period

PART A.—*Name, etc., of Worker*—contd.

Does Workmen's Compensation Act apply?.....

Date of entering employer's service.....

(Write* if entry was before this date).

Age at *, or at subsequent date of entry into employer's service.....

PART B.—*Particulars of temporary absence from work (not less than four days and not exceeding 2 months).*

Year.	Date absence began. (1)	Date absence ended. (2)	Date sickness began. (3)	Date sickness ended (if known). (4)	Where absence is due in whole or part to sickness.	(Leave blank).		
	Day.	Month.	Day.	Month.	Day.	Month.	Nature of incapacity. (5)	Supplementary. (6)
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PART C.—*Particulars of Service.*

Date of leaving employer's service..... Cause.....

Dates of subsequent		Cause of exit.	(Leave blank).
Re-entries.	Exits.		

Detailed instructions for the completion of the card.

HEADING.

Name of employer, town and province.—The firm's usual description and address should be entered with an indication of the nature of the business (e.g., jute mill).

PART A.

Name.—*Father's name.*—
or Husband's name.—*Sex.*—Enter M for male; F for female.

To be entered as usual.

Nature of industrial employment.—The name usually given to workers of this particular class (e.g., 'weaver', 'fitter', 'packer', etc.) should be entered. A precise description is required.

Wages per month/week/other stated period.—The wages payable to the worker with the normal period of wage payment (e.g., Rs. 15 per mensem, Rs. 10 per *hafta* of 16 days, etc.) should be stated.

For pieceworkers the approximate monthly wages should be stated with the word 'pieceworker', added in brackets.

Does Workmen's Compensation Act apply?—Enter 'Yes' or 'No'.

Date of entering employer's service.—If the worker entered the employer's service before * and was in the employer's service on that date, enter *. If the worker entered on or after * enter (in figures) the actual date of entering the employer's service.

Age.—Enter age, in years, at date of entering employer's service, unless the worker entered the employer's service before* in which case enter age on*.

PART B.

1. Except as provided in paragraph 6 (b) a separate entry should be made in this part for every absence due to causes other than death or dismissal, of four or more consecutive days, not exceeding two calendar months in duration.

2. In the column for 'year', the year in which the absence began should be entered.

3. Where absence was not due to sickness, pregnancy, or accident, columns (1) and (2) only should be used.

4. Where absence was due to sickness, pregnancy, or accident, columns (3) to (6) should also be used.

5. *Columns (1) and (3)—Date absence/sickness began.*—Enter (in figures) day and month of *first* day of absence in column (1), and when the absence is due to sickness, of sickness in column (3).

6. *Columns (2) and (4)—Date absence/sickness ended.*—(a) When the absence is not due to sickness and the worker returns within two calendar months of the date given in column (1) enter (in figures) in column (2) the day and month of the last day of absence.

(b) When the absence is not due to sickness and the worker does not return within two calendar months of the date absence began, make no entries in Part B and record an 'Exit' in Part C.

(c) When the absence is due to sickness and the worker returns within two calendar months of the date given in columns (1) and (3) enter (in

* Date of commencement of investigation.

figures) in columns (2) and (4) the day and month of the last day of absence and the last day of known sickness respectively.

(d) When the absence is due to sickness and the worker does not return within two calendar months of the date given in columns (1) and (3) enter (in figures) in columns (2) and (4) the day and month of the date two calendar months after the date given in column (1), if the worker is still sick at the end of two calendar months, or the last day of known sickness if he has previously recovered, and record an 'Exit' in Part C.

(e) When in either of the cases mentioned in (c) and (d) above the worker has been lost sight of and the date of his recovery is not accurately known enter (in figures) in column (4) the day and month on which he was lost sight of, and enter the letter K in column (6); in case (d) enter also the same date in column (2) as in column (4).

Example.—A worker is absent owing to sickness on the 1st March. The entry in columns (1) and (3) is therefore 1/3. He is lost sight of from 21/3 but returns to work on 15/4 and does not prove that he was sick after 21/3. The entry in column (2) will be 14/4; but the entry in column (4) will be 21/3. If, on the other hand, he does not return by 1/5, the entry both in column (2) and in column (4) will be 21/3; and an "Exit" will be recorded in Part C.

7. *Column (5)—Nature of incapacity.*—Enter, if known, the name of the disease from which the worker was suffering. It is very important that absence in the case of a woman due to pregnancy or post-confinement sickness should be separately stated and appropriately described.

8. *Column (6)—Supplementary.*—Enter any one or more of the following letters as may be applicable to absence which is wholly or partly due to sickness:—

- A. *Sickness certified by medical officer attached to the mill, factory, etc.*
- B. *Sickness certified by some other medical practitioner.*
- C. *Sickness not supported by medical certificate.*
- D. *Wages or part wages or sickness benefit received during absence.*
- E. *Payment received under Workmen's Compensation Act in respect of absence.*
- F. *Maternity benefit received in respect of absence.*
- K. *Date sickness ended not known.*

PART C.

- I. A separate entry should be made in this part when the worker:
 - (a) dies or is dismissed; or

(b) is absent from work for any other cause for a period exceeding two calendar months.

2. The first entry should be made (in figures) against the heading 'Date of leaving the employer's service'.

3. If the worker re-enters the employer's service, the date of re-entry should be entered (in figures) in the column headed 'Dates of subsequent Re-entries', and the date of any subsequent 'Exit' should be entered (in figures) in the column headed 'Dates of subsequent exits'.

4. When the worker dies or is dismissed, the date of exit will be the actual date of death or dismissal as the case may be.

5. When the worker is absent from work for any other cause for a period exceeding two calendar months, the date of exit will be based on the entries (if any) in Part B of this Card and will be made as follows:—

(a) When the absence is not due to sickness [paragraph 6 (b) of the instructions for the completion of Part B] the last day of employment will be entered.

(b) When the absence is due to sickness [paragraph 6 (d) and (e) of the instructions for the completion of Part B] the last day of known sickness as recorded in column (4) of Part B will be entered.

6. The following letters should be entered under the heads 'Cause' and 'Cause of exit' in this part:—

D for death.

S for dismissal.

P for withdrawal from employment on account of pregnancy.

Y for withdrawal from employment after an attack of sickness (including cases when sickness lasted two months or more).

W for voluntary withdrawal or retirement.

X for reason unknown.

Summary of "date" entries to be made on experience cards for each type of absence.

If A represent date on which absence/sickness commenced (or withdrawal, etc., took place):

B represent date on which absence ended, if within 2 calendar months of A:

C represents date 2 calendar months later than A :

D represents date on which worker died, if within 2 calendar months of A :

E represents date on which sickness ended, if within 2 calendar months of A :

F represents date on which worker was lost trace of (known sickness having continued up to this date), if within 2 calendar months of A :

G represents date on which maternity benefit was last paid to a female worker :

and

H represents date on which worker returned to work, if *after* 2 calendar months from A :

then the various dates to be entered in Parts B and C of the experience card for each type of absence are as shown on the attached schedule.

Type of absence.	Part B.				Part C.	
	1 Date absence began.	2 Date absence end- ed.	3 Date sickness be- gan.	4 Date sickness end- ed.	5 Date of leaving em- ployer's service.	6 Date of subse- quent re-entries.*
I.—Absence not due to sickness, (e.g., <i>festivals</i> , <i>harvest</i>), including death, dismissals, withdrawals (excepting pregnancy) and retirements.						
(1) Return after less than 4 days absence	..	Nil.	..	..	Nil.	..
(2) Return after absence of more than 3 days but less than 2 calendar months.	A	B	..	..	Nil.	..
(3) Return after absence of more than 2 calendar months.	..	Nil.	..	..	A	H
(4) No return to work .. .. ..	..	Nil.	..	..	A	..

* Second and later dates of leaving employer's service, i.e., after re-entry, should be entered as "subsequent" exits in Part C.

Type of absence.	Part B.				Part C.	
	1 Date absence began.	2 Date absence ended.	3 Date sickness began.	4 Date sickness ended.	5 Employer's service.	6 Date of subsequent re-entries.*
II.— <i>Absence due to sickness.</i>						
(5) Return after less than 4 days absence ..	..	<i>Nil.</i>	..	..	<i>Nil.</i>	..
(6) Return after absence of more than 3 days but less than 2 calendar months.	A	B	A	E	<i>Nil.</i>	..
(7) Return after absence of more than 2 calendar months.	A	C†	A	C†	C†	H
(8) No return at all	A	C†	A	C†	C†	..
(9) Worker lost trace of during 1st 2 calendar months of sickness, and— (a) returns within 2 calendar months from start of absence : (b) returns more than 2 calendar months from start of absence : (c) does not return at all	A	B	A	F	<i>Nil.</i>	..
(a) within 2 calendar months of start of absence : (b) more than 2 calendar months from start of absence :	A	F	A	F	F	H
(c) does not return at all	A	F	A	F	F	..
(10) Death following on sickness— (a) within 2 calendar months of start of absence : (b) more than 2 calendar months from start of absence :	A	D	A	D	D	..
(a) more than 2 calendar months from start of absence :	A	C	A	C	C	..
III.— <i>Withdrawal on account of pregnancy.</i>						
(11) Worker withdraws on account of pregnancy, and— (i) returns to work after confinement— (a) when total absence is less than 2 calendar months. (b) when total absence is more than 2 calendar months : (ii) does not return to work but draws maternity benefit for a period : (iii) draws no maternity benefit and does not return to work.	A	B	A	E	<i>Nil.</i>	..
(a) when total absence is less than 2 calendar months.	A	C†	A	C†	..	H
(b) when total absence is more than 2 calendar months :	A	G	A	G	..	..
(ii) does not return to work but draws maternity benefit for a period :	..	<i>Nil.</i>	..	..	A	..
(iii) draws no maternity benefit and does not return to work.						

* Second and later dates of leaving employer's service, i.e., after re-entry, should be entered as "subsequent" exits in Part C.

† Unless sickness is known to have ended within 2 calendar months of start of absence, in which event enter E.

‡ If, however, woman is drawing maternity benefit and returns to work immediately it ceases, then, even if absence is greater than 2 calendar months, this entry should be G and no entry should be made in Part C.

ENCLOSURE 2.

STATEMENT SHOWING NATURE AND COST OF SCHEME FOR THE PAYMENT OF SICKNESS BENEFITS.

1. (a) *Name and postal address of industrial establishment.*
- (b) *Date of commencement of scheme.*
2. *Nature of scheme.*

(1) To what class or classes of worker does it apply ?

N.B.—Please state approximate pay limits of the different classes of worker covered.

- (2) Is it non-contributory (*i.e.*, financed entirely by the employer or contributory ?

- (3) In the case of a contributory scheme :—

(a) Is it voluntary or compulsory ?

(b) What is the rate of contribution by—

(i) the employer ?

(ii) the worker ?

(c) How are contributions collected ?

- (4) What benefits are offered ?

N.B.—Please attach a copy of the rules or orders regulating the operation of the scheme.

3. *Cost of the Scheme.*—Please furnish the following information for each of the last five complete accounts years, or if the scheme has been in operation for less than five years, for all years since its establishment :—

(a) *For Contributory Schemes.*

1 Year.	2 Average daily number of persons employed.	3 Number of persons covered.	4 Total wages of persons covered.	5 Opening balance in fund.	6 Contributions by		7 Benefits paid.	8 Closing balance in fund.
					(a) Employer.	(b) Workers.		

(b) *For Non-Contributory Schemes.*

1 Year.	2 Average daily number of persons employed.	3 Number of persons covered.	4 Total wages of persons covered.	5 Benefits paid.

Replies to the Circular letter.

[NOTE.—Formal preparatory phrases have been omitted throughout. Other omissions of substance are indicated by asterisks].

AJMER-MERWARA.

Chief Commissioner, Ajmer-Merwara.

(12th October 1935.)

Those officials who were consulted and the Factory and Millowners Association in this district expressed themselves as being almost in entire agreement with the views expressed in paragraphs 4 and 5 of the letter. They fully realise, and I agree in this view, that the difficulties lying in the way of a Statistical Enquiry would make it difficult of execution and the suggestion of an alternative possibility of building on the actual experience gained in the operation of small experimental schemes has evoked a prompt offer of co-operation from employers in this district. It is believed that there will be no difficulty in introducing an experimental scheme on the basis of proportionate contributions by the employer and the employee.

Though no system of sickness insurance exists in Ajmer-Merwara an arrangement has been made by some employers whereby, under certain conditions, pay is allowed to employees during periods of sickness.

ASSAM.

Government of Assam.

(17th October 1935.)

The local Government do not consider that a statistical enquiry of the kind contemplated by the Commission would be feasible in this Province. As far as can be ascertained only two companies have schemes providing for payment in case of sickness and figures of their schemes are enclosed.

Generally speaking, the labour in this Province is migratory and would probably not welcome deductions from its pay the benefits of which might never be reaped by the labourer. On the contrary it seems probable that there were a system of compulsory insurance introduced the care which employers of labour generally exercise with regard to the health of their employees in this Province would be reduced, and the employee would merely suffer by the change. At present on almost all, if not on all, tea gardens free medical attention, free hospital accommodation and attendance, and free diet while in hospital, are provided for sick employees while if it be necessary for the patient to have a member of his family in attendance this attendant receives pay from the garden.

Were a sickness insurance scheme introduced both employer and employee presumably would be under an obligation to subscribe, but in the tea industry at any rate the employer could not expect the employee to subscribe and the scheme would, in practice at any rate, be non-contributory on the part of the employee, while the employer, having to subscribe towards insurance would be likely to reduce the free benefits at present provided. Again in the case of the Assam Match Company the employer maintains a free dispensary with a certified compounder, and, in case of injury of a nature requiring indoor treatment at a hospital the expenses for such treatment are borne by the employer.

The Assam Railways and Trading Company consider, like the Oil Companies and the tea industry, that the statistical enquiry recommended by the Royal Commission would not be feasible, and that any useful scheme of sickness insurance would be very difficult to introduce, not only on account of the migratory nature of labour but because such a scheme would be likely to afford "ample opportunities of abuse and such opportunities would be made the most of". They agree with other opinions in thinking that labour would not appreciate a contributory scheme.

Government endorse these opinions, and wish to point out that the only industry of real importance in this Province is the tea industry in which it is so much to the interest of the employer to preserve the health of the employed, who are generally imported at considerable expense from other Provinces, that no scheme of sickness insurance is required.

Assam Oil Company, Limited, Digboi.

We are pleased to attach the particulars for which the Government of India call in the form of enclosure 2 (b) shewing the incidence of sickness and the cost in sick pay of the benefits paid by the Assam Oil Co., to their employees. We enclose in the form of a note, for easy reference, further particulars of the scheme and trust that the information supplied will be of assistance.

We regret we cannot see our way to produce the "Experience Cards" which the Government of India suggest, as this would entail a large increase in staff to complete the necessary records. We would add that all the information called for on the "Experience Cards" is already available on the "History Cards" that we maintain for each individual we employ—there are some 12,000 of these cards available both current and "dead" extending over the last five years and we would be very pleased to place these at the disposal of any officer you might care to send here to carry out an investigation. It would be quite impossible however to allow these cards to leave our Labour Bureau as a considerable number of them are in daily use.

While we are in full sympathy with the principle that there is a need for provision for the sickness of the worker we interpret the Royal Commission's writing as a realisation that no national scheme of sickness insurance is feasible in this country, at any rate at present.

In our opinion there are several disadvantages in the tentative scheme outlined in the Royal Commission's Report which, in effect, can be reduced to a series of local insurances each applying to a definite area. The inherent disadvantage appears to us to be the fact that, in general, Indian labour is not stable and, while we have after many years succeeded in partially stabilising our own labour we do not think this condition applies generally. The result of such migration would be that a large proportion of labour would be continually paying for insurance during its waiting period without being eligible to receive benefits. In actual practice it is during the period of the first year's service that sickness would be most likely to cause the employee to borrow money to cover his period of unfitness.

Statements showing nature and cost of schemes for the payment of sickness benefits.

A. 1. (a) The Assam Oil Co., Ltd., Digboi.

(b) Scheme as at present working started in 1933 when it replaced a previous scheme.

2. The nature of the scheme is described in the attached Note.

(1) The scheme applied to—

(a) all labour, unskilled, semi-skilled and skilled on daily rates ranging from As. 12 upwards.

(b) skilled artisans and clerks on monthly rates rising to Rs. 200 per mensem.

(2) The scheme is non-contributory and is financed entirely by The Assam Oil Coy.

Year.	Average daily number of persons employed.	Number of persons covered.	Total Wages of persons covered.			*Benefits paid.		
			Rs.	A.	P.	Rs.	A.	P.
†1934 . . .	5,452	5,452	21,33,355	8	9	17,423	0	0

*Exclusive of hospital costs, medical attention, medicines; also exclusive of all charges a/c injuries i.e., above figure is sickness figure alone.

†The first complete year of the scheme as at present working.

Note on Assam Oil Coy.'s Sickness payments.

(1) It is non-contributory.

(2) The present rule which came into force in July 1933, provides for a flat rate of half pay up to three months sickness in any year with the proviso that if the Company's Medical Officer does not recommend continuation of sick pay in excess of one month's illness it terminates at the end of the one month.

[NOTE.—In practice it can be said that this discretion is so rarely used that the figures given in Form 2 (b), attached, for the year 1934 represent the cost of half pay from the date sickness commenced up to a maximum of three months.]

(3) All employees are medically examined before engagement.

(4) The cost of medical services, medicine, hospital accommodation, etc., provided free by the Company is not included in the figures given in Form 2(b).

(5) The medical facilities provided include, a hospital, of 60 beds, operating theatre, and equipment, X'Ray plant and two outdoor dispensaries under the charge of a whole-time qualified European Medical Officer and qualified Indian staff.

(6) The administrative cost of recording sickness and computing correct sickness payments is borne by the Company.

(7) Payments for injury whilst at work have not been included in the figures quoted in Form 2 (b), i.e., figures are for sickness only.

(8) In addition to the payments actually made for sickness and in addition to the medical facilities provided, the Company undertakes the following services at no cost to the employee in order to maintain and improve the health of its labour force:—

(a) Extensive anti-malarial work.

(b) Housing (at present some 85 per cent. of our labour are housed in "pucca" quarters of approved types).

(c) Conservancy of Housing Areas.

(d) Water-borne sanitation in housing areas and factories.

B. 1. (a) The Burmah Oil Co., Ltd., Masimpur.

(b) The scheme in operation started in 1934, when it replaced a former scheme.

2. The nature of the scheme is described in the attached note.

(1) It applies to :—

- (a) All employees in receipt of a daily rate of pay.
- (b) All clerks and men on clerical grades on monthly rates of pay.
- (c) Others on monthly rates of pay drawing up to Rs. 200 per month.

(2) The scheme is non-contributory and the whole cost is borne by the Burmah Oil Company.

(3) Does not apply.

(4) See attached note.

3. Statistics for the first six months of 1935 are given below :—

Period.	Average No. of persons employed.	Number of persons covered.	Total wages of persons employed.	*Benefits paid.					
				Rs.	A.	P.	Rs.	A.	P.
January/Junc, 1935	..	402 per mensem.	402	81,041	13	0	461	2	0

*Excluding hospital costs, medical attendance, and medicines. Benefits for injuries and hospital costs, etc., as above resulting from injuries are also excluded.

Sub-divisional Officer, Golaghat.

I consulted some of the leading planters on the question of Sickness Insurance generally and their view is that in so far as the tea garden factory-workers are concerned such a scheme is not necessary and that most of them will not welcome such a scheme.

As regards the feasibility of a statistical enquiry, in my opinion, it would not only be costly but would be unreliable and in view of the growing complexity of the returns and the information needed by Government, many concerns would refuse to undertake such an enquiry and in other cases the figures would be unreliable.

As regards the possibility of building on the actual experience gained in the operation of small experimental schemes I would mention that almost all tea garden factory workers receive assistance from their employers at the time of sickness in various forms. In some gardens

advances are given to coolies who fall into poverty due to protracted illness. Free medical assistance, free medicine and hospital food are most common almost in all gardens. In view of the benefits, any such scheme which must be contributory will not be welcome to the employees themselves. On the other hand if any employer is called upon to contribute to a sickness Insurance Fund, it would revise its policy in the matter of allowing sick benefits, etc.

There is no scheme in actual operation in any establishment but I would enclose in the form of a statement figures which I have obtained from a well-to-do garden of sick benefits received by workers during the 5 years 1928 to 1932. These figures do not include the various medical salaries or medicines, but merely show voluntary benefits given in case of need and sickness which might be caused by any scheme of Insurance.

Sick Benefits during the year 1928 to 1932.

	1928.	1929.	1930.	1931.	1932.
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Sick Hazira and Subsistence.	1,092	1,334	1,657	1,400	1,068
2. Bonus to mothers at child birth.	340	482	512	616	510
3. Hazira to Pregnant women.	892	1,028	1,249	1,239	949
4. Free feeding at hotel.	Both under same heading in 1928.	1,393	1,069	896	669
5. Free allowance to Dependents.			116	124	106
6. Child welfare	251	486	408	297	372
7. Attending sick ..	255	231	230	190	74
8. Hospital food and comforts	975	709	999	734	747
Total	5,198	5,455	6,070	5,251	4,366
Labour Force working—					
Total ..	830	841	822	932	813
Cost per head of worker ..	6.26	6.48	7.38	6.31	5.37

Average cost over five years per worker which might be covered by Insurance Scheme Rs. 6.37 per head.

BALUCHISTAN.

Chief Commissioner in Baluchistan.

(Dated the 28th November 1935.)

There were in May last 13 factories in Baluchistan, all except one in Quetta. Of these 6 belonged to the Crown and 7 were privately owned. The employees in the Crown factories being in Government service received medical and sick-leave benefits according to the rules governing their appointments, but in certain of these factories a percentage of local labour was also employed on daily wages with no medical or sick leave concessions except in the case of accidents. In the privately-owned factories most of the labour was casual and paid on a daily-wage basis, receiving no regular medical or sick-leave benefits. Organised industry in Baluchistan was still in its infancy, and in order to encourage factory-owners, the provisions of the Factory Act, with the exception of the Safety and Sanitary clauses, were not rigidly enforced.

2. With the exception of certain military workshops in cantonments, all the factories in or near Quetta were destroyed in the earthquake of 31st May 1935. The Hon'ble the Agent to the Governor-General therefore does not consider that a statistical inquiry of the kind contemplated by the Royal Commission on Labour in India is necessary so far as Baluchistan is concerned.

3. There are no schemes actually in operation in industrial establishments in Baluchistan which involve the payment of financial benefits.

BENGAL.

Government of Bengal.

(Dated the 2nd December 1935).

The Government of Bengal are still of opinion that the introduction of any scheme of compulsory sickness insurance for industrial workers would be premature; in fact, they take the view that the widespread establishment of voluntary schemes through Trade Unions, Employers' Provident Funds, and possibly bodies in the nature of Friendly Societies would be an indispensable preliminary to any such compulsory scheme. Subject to the foregoing observations, the Government of Bengal agree with the Government of India that no advantage will be gained by proceeding with a statistical enquiry of the nature outlined in paragraph 3 of the letter now under reply. The Government of Bengal agree further that the alternative method of building on the actual experience gained in the operation of small experimental schemes of sickness insurance—voluntary in character—offers a sounder and quicker method but they

foresee considerable difficulties in the operation of such schemes and doubt whether the results will be of much value until more prosperous times return. The Royal Commission on Labour considered that the responsibility for medical benefits should be undertaken by Government and appear to have contemplated the possibility of this responsibility being undertaken on a non-contributory basis. The adoption of this proposal would mean that in times of sickness one small section of the community would receive free medical attendance and free medicine at the expense of the revenues of the province. The Government of Bengal desire to make it clear that they consider this proposal wrong in principle. Apart from the question of principle, however, there is little likelihood of financial conditions permitting the local Government to undertake this responsibility for the provision of medical benefits for the working classes otherwise than on a full contributory basis and if any experiments are to be made, they will have to be undertaken without assistance from provincial revenues.

2. As regards schemes of sickness insurance already operating in the provinces, the information furnished in reply to this portion of the Government of India's enquiry is very meagre. It appears from paragraphs 5 and 6 of letter from the Indian Jute Mills' Association that in one jute mill only in the membership of the Association is there a scheme of sickness insurance involving the payment of financial benefits. From paragraph 4 of the Indian Tea Association's letter, it will be seen that on a number of tea gardens in addition to free medical attention the labourer also receives "sick pay".

Bengal Chamber of Commerce.

1. The Committee have been in consultation on the subject with the various industrial Associations allied to the Chamber and with members controlling industrial undertakings not connected with any of these Associations. I now enclose, for the information of Government, copies of the replies received from those interests, which represent the very large bulk of the major industrial undertakings in this province. The Chamber Committee who trust that the views expressed in these letters will receive the careful attention of the Government of Bengal and that they will be communicated to the Government of India—do not propose to discuss in any detail the ground which has already been adequately covered by the industrial Associations and others referred to above; but they think it may serve a useful purpose if they summarise briefly the collective views of the interests represented by the Chamber on the several points raised by the Government of India.

2. The first point concerns the recommendation made by the Royal Commission on Labour, who laid stress on the desirability of collecting statistical material on which to frame a suitable sickness insurance scheme. The Government of India's examination of this recommendation, in consultation with the Government Actuary's Department in London, indicates that a very elaborate statistical analysis would be necessary extending over a period of at least five years—of the experience as regards sickness and employment of a representative sample of the industrial population. As will be seen from the papers which accompany this letter, the view unanimously taken by the industrial interests which the Chamber represents is similar to that expressed by the Government of India themselves namely that the elaborate statistical enquiry such as would be necessary is quite impracticable, that employers could certainly not agree to undertake it, and that in any case it would not, in their opinion and at the present stage of development, yield reliable data on which to frame a comprehensive scheme of sickness insurance. The Committee of the Chamber strongly endorse this view.

3. The alternative proposal of the Government of India is that progress in the direction of comprehensive sickness insurance in India should take the form of small empirical schemes and that the larger structure should be built on the actual experience gained in the operation of such small experimental schemes. It will be seen that, generally, the interests connected with the Chamber take no exception to this proposal and would be prepared to acquiesce in it on the distinct understanding that there is no intention of making the inauguration of contributory schemes compulsory. Several of the industrial Associations, however, draw attention to the practical and administrative difficulties which stand in the way of the successful operation of any comprehensive schemes involving the payment of financial benefits, *e.g.*, the migratory character of the labour ; the absence, in many cases, of reliable medical practitioners ; the fact that many workers are unwilling to submit to treatment ; the tendency of the worker when he is ill to proceed immediately to his village where medical facilities may be non-existent ; and the burden which must inevitably fall on the employer unless and until the facilities provided by Government and by local authorities for the treatment of the sick and injured are greatly improved and extended, both in industrial areas and elsewhere. In the opinion of the Chamber these are very real difficulties which must be taken into consideration. They show, in the first place, that the introduction of any general sickness insurance schemes for industrial workers would be far in advance of the social and economic conditions now prevailing in this country. And they serve to emphasise the point that has already been made, that there must be no question, at

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the present stage of India's industrial development, of making the establishment of contributory schemes compulsory. Indeed, the Chamber Committee think it may fairly be said that many workers would be worse off under a scheme of contributory sickness benefits than they are at the present time in cases where free medical and hospital or dispensary treatment is given, with free food and attendance while in hospital and frequently a cash allowance. The case of the tea industry is one in point and in the opinion of the Chamber the Indian Tea Association advance particularly cogent reasons why a scheme of sickness insurance, whether contributory or otherwise, is unnecessary for tea garden workers, having regard to the very adequate medical arrangements that already exist and the special conditions applying to tea garden life.

4. The Chamber Committee have drawn particular attention to these considerations and difficulties because they feel it is desirable to emphasise that progress in the direction recommended by the Royal Commission on Labour must necessarily be gradual. They have not approached the subject in any obstructive spirit. On the contrary they recognise and agree that every encouragement should be given to the establishment of experimental schemes—on the lines for instance of Sick and Insurance Fund operated by the Indian Copper Corporation—especially where arrangements for medical attention and treatment during sickness are either inadequate or non-existent. It seems to them that it would be a step in the right direction if, in the first place, a model scheme were drawn up by Government and if employers who do not already provide medical facilities were recommended to adopt it. But in the opinion of the Chamber, there cannot and must not be any compulsion in the matter at the present time; and where adequate arrangements for treatment in the case of illness or injury are already provided, there must be no disposition to interfere with these arrangements.

5. Finally, the Government of India ask for the submission of particulars of any existing sickness insurance schemes involving the payment of financial benefits. As has been stated, the Chamber has asked for the co-operation of the various industrial interests in the collection of these particulars and such material as has been obtained is incorporated among the enclosures to this letter.

Indian Paper Makers' Association.

With regard to your request for the collection of information in respect of any sickness insurance schemes involving the payment of financial benefits, no such schemes are in operation at the present time by the Paper Mills in the membership of this Association. The mills already provide adequate medical arrangements for the benefit for their workers,

including doctors, hospitals, dispensaries and the free supply of medicines ; and in the opinion of this Association such arrangements as are already provided are sufficient for the needs of the workers. The Paper Mill interests represented by this Association consider in these circumstances that the time is inopportune for the introduction of a general sickness insurance scheme and they would be strongly opposed to any such legislation as being far in advance of the social and economical conditions now prevailing in this country. They are accordingly of opinion that no purpose would be served by the elaborate statistical enquiry proposed by the Royal Commission on Labour.

Indian Engineering Association.

The subject has had the careful attention of my Committee, who are unanimously of opinion that, apart altogether from economic considerations, any legislation to enforce universal provision for absence on account of sickness would be administratively impracticable. The labour force, particularly in engineering, is of too unstable a nature, and individual workers stay too short a time with one employer, for any such scheme to be universally applied. My Committee are prepared to adopt a helpful attitude in any further investigations which Government may undertake, but take the view that it will be many years before such investigations are likely to be attended by any practical results.

Indian Mining Association.

* * * * *

The Committee have referred the matter to members of the Association and the general consensus of opinion is that statistical enquiry on the lines proposed by the Royal Commission on Labour would serve no useful purpose whatsoever as far as colliery labour is concerned as owing to the migratory nature of the labour it would be quite impracticable to collect statistics which would be of any real value to the proposed Enquiry Committee in framing a scheme for industrial insurance. Not only do the workers change from one colliery to another but the majority, being agriculturists, absent themselves for long periods during the cultivating season and again at the time of harvesting and it is impossible for colliery officials to keep trace of their whereabouts. A certain amount of statistical data could be obtained by Government from the Jharia and Asansol Mines Boards of Health but the Committee are doubtful whether such statistics would prove of much assistance in estimating the incidence

of sickness amongst colliery labour. It is well known that the class of labour employed in collieries is to a large extent distrustful of medical men and when a workman falls sick he very often prefers to conceal the fact rather than obtain the services of the colliery medical officer and in many cases sick workmen are removed to their villages without any information being given to the colliery officials. In the circumstances, the Committee think you will agree that so far as colliery labour is concerned, it would be practically impossible to obtain any reliable statistics which would be of use to Government in determining the probable cost of a scheme for provision during sickness, as recommended by the Royal Commission on Labour.

2. The alternative proposal of building on experience gained in the operation of small experimental schemes as suggested by the Government of India is not impracticable but presents certain difficulties in the coal trade owing to the fact that conditions prevailing at the various collieries are vastly different. In most of the larger collieries, labour is well housed, hospital and medical facilities are available and an interest is taken in the welfare of the labour—but the remarks regarding the removal of sick people to their villages apply even under these conditions. On the other hand, at many of the smaller collieries, which outnumber the larger by 3 to 1, and which produce approximately 25% of the output of coal, housing conditions are generally poor and the accommodation insufficient and there are no hospital facilities and only very meagre dispensary arrangements. It will thus be seen that experience gained from each of these entirely different conditions would present vastly different results and would be of little benefit as a basis on which to build a comprehensive scheme applicable to the coal trade as a whole. In addition, the tendency of colliery labour to move at will from colliery to colliery renders the application of any contributory scheme an impossibility and it would be difficult to frame rules for the practical application of a non-contributory scheme.

3. As far as the Committee are aware contributory schemes of sickness payment are not in operation at any of the privately owned collieries but most of the larger collieries have voluntary schemes and it is usual for allowances to be made to regular daily workers whilst sick provided they undergo treatment by duly qualified colliery medical officers. I am enclosing a statement received from Messrs. Shaw, Wallace & Co., showing the benefits available at collieries under their agency and I am to say that the schemes in operation at most of the larger collieries are based on similar lines.

Statement of sickness benefits enjoyed by the labour forces at the undernoted collieries.

- (i) The scheme applies to all labour employed in and about the collieries.
- Pay limits of different classes of workers . . . Miners As. 12, Loaders As. 6, Skilled Labour As. 10.
- Unskilled Labour As. 6, Women As. 4-6 all per day.
- (ii) The schemes are non-contributory being financed entirely by the Colliery Company.
- (iii) No statistics are kept as to the actual cost of these benefits.

Coal Company.	Location of Collieries.	Medical facilities.	Hospital.	Dispensary.	Sickness Allowances.		As recommended by M. O.
					In Hospital.	In Dhow-raths.	
Amalgamated Coalfields, Ltd.	Central Provinces.	One European and Two Indian Doctors.	Two.	Seven.	Free diet & clothing.	As. 0-4-0 per day.	
Pench Valley Coal Co., Ltd.	Do.	One Indian Nurse.					
Nazira Coal Co., Ltd.	Assam.	Indian Doctor.					
North Damuda Coal Co., Ltd.	Radhanagar District.	Do.					
New Tetturiya Coal Co., Ltd.	Katrasgarh District.	Do.					
Khas Kajora Coal Co., Ltd.	Ukhara District.	Do.					
Rowa Coalfields, Ltd.	Rowa State.	Two Indian Doctors.					

Calcutta Flour Mills' Association.

No schemes of sickness insurance involving the payment of financial benefits are operated by any of the Flour Mills in the membership of this Association.

2. With regard to the alternative proposals the Association is opposed to the introduction of any legislation which would have as its object the establishment of any compulsory scheme of sickness insurance for industrial workers in India. The Committee's considered views on the subject are as follows:—

A statistical enquiry as contemplated by the Royal Commission on Labour will involve a very comprehensive survey and the preparation of voluminous statistics. In most cases, the conduct of a statistical enquiry on these lines would involve the appointment of special clerical staff to deal with the work and this will involve the employer in considerable expenditure. At the present time, in view of the need for economy, most employers will be unwilling to incur this expenditure and, even if such a survey were started upon voluntary lines, information would only be obtained from the larger employers. It would probably never be possible to obtain satisfactory statistics from the smaller employers and it is in the case of workmen employed by such employers that the information is mostly needed. It is therefore, considered that the responsibility for compilation of such a complicated and costly statistical enquiry is so great that employers should not be burdened with this task.

As regards the desirability of building on the actual experience gained in the operation of small experimental schemes, the whole question of sickness insurance for industrial workers in India presents many difficult problems which do not arise in similar schemes in Western countries. Industrial workers in large towns are, in the main, not members of a permanent industrial labour force. They come to the big towns to earn money for short periods in each year and it is well known that labour "turnover" is, in the case of the larger industries such as jute and coal, almost 100% per annum. It is hardly likely, therefore; that a single worker in some of the large industries, with the possible exception of tea industry, will ever continue to serve his employer for a period of one complete year without absence, due to the seasonal return to his village for private reasons, and it is,

therefore, likely that very few workmen will ever be able to qualify for relief from any sickness fund owing to the fact that they will not have contributed to it for the minimum period suggested by the Royal Commission on Labour, *i.e.*, one year.

Again, before any scheme of sickness insurance could effectively be introduced in India, it would be necessary to prohibit the operation of all unqualified medical practitioners and other quacks who treat a large number of workmen in industrial areas. There is, of course, a paucity of qualified medical practitioners but, unless workmen are to be prohibited under the scheme from going to unqualified practitioners for treatment, there will be an immense difficulty confronting the scheme on account of the unqualified treatment given. Again, the question of the supply of patent medicines will require to be dealt with as many workmen may not place themselves under the treatment of a qualified medical practitioner but would purchase so-called "Patent medicines" for their diseases or ailments. Any scheme for the grant of sickness allowance necessarily depends upon a certificate regarding the disease being furnished by a qualified medical practitioner and unless workmen were forced to obtain treatment from such qualified men, and prohibited from placing themselves under the treatment of unqualified practitioners, the scheme would appear to be unworkable from the outset.

In the absence of a certificate of sickness from a qualified medical practitioner, the employer would have only two alternatives, namely either to accept a certificate from an unqualified practitioner or from some so-called "chemist", or the employer will have to send his own Medical Officer to the worker's residence to ascertain the cause of his illness. It is quite impossible to envisage the cost likely to devolve upon the employer in the event of the latter course being adopted. It should be remembered that, in the case of employers who have their own dispensaries established, workmen attend those dispensaries only for minor ailments and when they are laid up with serious illnesses, they generally remain in their own houses and are treated by the quacks already referred to.

Employers are at present put to very considerable expenditure in providing dispensaries for the treatment of minor ailments and, if any move in the direction of sickness insurance is

indicated at present in India, a possible line of development would be for all employers of factory and mining labour maintaining a fully equipped dispensary, with a qualified Medical Officer and staff, in order to treat all cases of minor ailment. This would alleviate considerably the present trouble due to widespread sickness at certain times in the year and it would also mean that all employers, especially employers in small factories, would be put on the same basis. Thus, the scheme would not be limited, as at present, to liberally minded employers, but such a scheme might be ruled out as imposing too heavy a burden of cost on the employers.

Unless other legislative measures are taken in regard to the abuses at present carried on by unqualified practitioners, any scheme for payment of sickness insurance for industrial workers in India appears to be likely to impose such a heavy financial responsibility upon employers as to prove quite unbearable.

Calcutta Hydraulic Press Association.

The interests represented by this Association are of the opinion that the costs of a statistical enquiry on the lines suggested by the Royal Commission would be out of all proportion to the results obtained. They consider, moreover, that in view of the present diversity of practice among employers in the matter of provision of sickness benefits to industrial workers, the statistics obtained from any such enquiry as that envisaged by the Royal Commission would be of little assistance in the establishment of a comprehensive scheme applicable to the general body of workers employed in organised industry. The Association recognises the desirability of making every effort to establish such a scheme, but they feel that, as suggested by the Government of India, it should be built up on the actual experience gained in the operation of small experimental schemes.

2. As far as the Committee are aware, no scheme of sickness insurance involving the payment of financial benefits is operated by any member of this Association. If an employee in a Press House turns sick, he is often treated in the nearest dispensary. On the other hand, in many cases the sick workman refuses treatment of any kind. If he is a good worker and is not away from his work for an unreasonable length of time on account of sickness he will frequently receive his full wages for the period of his absence and his job will be kept for him. Piece-workers of course, receive

no financial benefits while absent through sickness. The chief difficulties in the way of establishing any scheme of sickness benefits for Press House workers are :—

- (1) The periodical immigration of so many employees.
- (2) The refusal of the sick worker to accept treatment.
- (3) The numerous and highly prevalent diseases peculiar to this country.

In view of these considerations the Committee are of the firm opinion that it would be well-nigh impossible for Press Houses to maintain any accurate record of the sickness experience of the workers employed in them.

Indian Tea Association.

There are three main points to which Government require an answer :—

- (i) Should the statistical enquiry suggested by the Royal Commission on Labour be proceeded with ?
- (ii) If not should small experimental schemes be established and the possibility be considered of building a national scheme from the experience gained of such ?
- (iii) To what extent, if any, do schemes exist which involve the payment of financial benefits ?

Before endeavouring to formulate views on these three questions, it seems desirable first to examine the genesis of the proposal that there should be a sickness insurance scheme. The Labour Commission say, "By common consent the incidence of sickness is substantially higher than in Western countries ; the medical facilities are much less adequate, and the wages generally paid make it impossible for most workers to get through more than a very short period of illness without borrowing. Indeed, sickness is an important contributory cause of indebtedness, with all that debt entails under existing conditions ; for often, at his time of greatest need, the worker may find himself destitute of resources, unable to take proper measures to restore his health and in difficulties regarding even the means of subsistence". From this would appear that the Royal Commission are anxious to maintain the health of the worker by ensuring that if he is ill, he can take that rest from work which may be necessary without any fear of the consequences of debt in order to get what medical attention is required and moreover keep himself and his family supplied with the necessities of life ; further the idea of the scheme they visualise is to ensure that medical treatment will

be available when required. If then an industry can advance reasons to show that their workers are not in need of a scheme to make good such deficiencies, *prima facie* a case is established for exemption from the scheme's provisions.

2. I quote from the observations of the Royal Commission on plantation labour :—

“ The health of the worker in plantation areas is a question of primary importance to all concerned. The plantation manager rarely fails to realise that, in carrying out the duty of conserving his workers' health, he is also serving his own best interests. Not only does a high morbidity rate handicap production and reduce earning capacity, but experience has shown that it is easier to attract labour to, and keep labour on a healthy garden than an unhealthy one where, for instance, malaria is rife ”.

Again in referring to the vital statistics of a number of estates which were produced before them, the Labour Commission observe :—

“ These show that, generally speaking, the death and infantile mortality rates of plantation populations are considerably lower than the corresponding rates of the respective provinces as a whole. This seems to indicate that both economic and general health conditions are of a higher standard than those in the average rural or urban area ”.

This, therefore, establishes one good point against the application of any sickness insurance to tea estates.

I continue to quote from the report of the Royal Commission on Labour :—

“ In the absence of Government or other medical institutions the provision of medical facilities for their labourers is accepted by most planters as an essential part of their expenditure.”

This affords a second adequate reason against the application of the sickness insurance scheme to tea garden labour.

Under the head of “ sick benefits ” the Labour Commission say :—

“ On certain plantations the worker, when ill in hospital, is given free food, and a gratuity is paid to a relation acting as sick attendant. We recommend that the practice of giving free food be adopted in all plantation hospitals. The gratuity might also be made generally applicable, except where central hospital with a nursing staff makes other attendants unnecessary ”.

3. There is in the above sufficient material to show why a sickness scheme of insurance is unnecessary for tea gardens and it could be added to by stressing that the plantation labourer is recruited from outside the province in which he resides and that therefore employers, having incurred expenditure in the labourers' recruitment, see to it that he is maintained in healthy surroundings. Again the labour employed on the actual manufacturing process is small; they live in circumstances on the gardens which are entirely different from industrial employees in the urban areas with their often unhealthy cramped and confined conditions. The General Committee know from their experience that a considerable number of concerns give "sick pay" in addition to the free care and attention whilst the labour is sick, but it appears that there is no fixed scale for such and that the practice varies in estates. Some give "hazrees" during the sick period; some leave it to the discretion of the managers to afford assistance in the necessitous cases from a fund which is budgeted for every year as part of the estate's expenditure; some do not give any sick pay but whilst the labour is in hospital, food, medicines, doctors, attendance, etc., are given free and on discharge light tasks are given enabling them to have not only a period of convalescence but also affording them the opportunity to earn sufficient for their needs. After a lengthy illness a week's pay is sometimes given on discharge from hospital in addition to the light work mentioned, but this is not general. Whatever may be the variations in the practice followed, sufficient has been said to demonstrate that there is no need for—nor would it be advantageous to the labour—a national sickness scheme; for it is safe to contend that the standard in such matters on gardens, and this is supported by the Royal Commission on Labour, is beyond the minimum requirements which the State has a right to demand.

4. It has been observed, however, that in the Government of India's letter there is no suggestion of legislation being passed and therefore it is suggested that in replying to the main points in Government's letter, you should state on behalf of the tea industry, that the statistical enquiry suggested by the Royal Commission seems for the good reasons advanced by Government, not to be a feasible proposition. The tea industry is unable for the reasons given above to support the suggestion that as far as it is concerned small empirical schemes should be adopted. Whilst there do exist arrangements whereby sick pay is given to the labour, the practices observed by different estates, of which mention could be made as in paragraph 3 of this letter, are such as to preclude any possibility of information being furnished in the manner desired. For these arrangements are not so much a matter of fixed scales but of the use of, in most cases, the individual discretion of the manager who knows his labour and has to consider such factors as the earnings of the family which are of

course of primary importance and of which there is little or no parallel in any industry in purely industrial areas. Further it is impossible to give particulars of the arrangements only as they affect the labour employed in the tea factories.

5. The views expressed in this letter have the unqualified support of all representative Associations of tea producers in North and South India and the General Committee trust that the weight of your support will also be given to them.

Indian Jute Mills Association.

1. The Committee, who have given these matters their careful consideration in consultation with members of the Association, are of opinion that the conducting of a statistical enquiry of the magnitude of that which the Royal Commission on Labour recommended as an essential preliminary to the framing of a comprehensive scheme of sickness insurance for industrial workers could not possibly be undertaken at the present time without placing an unbearable burden of expense on employers and on the general body of tax-payers. The Government of India themselves state that they are doubtful whether any advantage is to be gained by proceeding with such an enquiry and this Association is definitely in agreement with the reasons which Government put forward in support of this view. It is, of course, obvious that if any comprehensive scheme is to be introduced it would be necessary to collect accurate statistics showing the incidence of sickness among the workers whom the scheme is designed to cover. But as this would involve the elaborate analysis, over a series of at least five years, of the sickness and employment experience of a representative sample of the industrial population, it is equally obvious that under present conditions in India the suggestion is quite impracticable. And it is on the grounds of its impracticability that it is rejected by this Association.

2. The Government of India's second suggestion is that a general scheme of sickness insurance should be built up on the experience gained in the operation of small experimental schemes which could be introduced wherever medical facilities are or can be made available and employers and workers are willing to make the necessary contributions. In the view of the Committee of this Association this is certainly the most desirable way of approach to the problem, but they are not prepared to agree to the introduction of the kind of tentative scheme suggested by the Royal Commission on Labour. The Royal Commission's "tentative scheme" is based on the assumption that responsibility for the medical and for the financial benefits will be separated, the former to be undertaken by Government possibly on a non-contributory basis, and the

latter through employers on the basis of contributions by themselves and by the workers. The cost to industry of a scheme on these lines would, however, be out of all proportion to the cost which could be borne by Government and unless Government would be prepared to come into line with industry on the question of financing a scheme of this kind Government's suggestion would not be acceptable to the interests represented by this Association. The following illustration of the disparity between the cost to Government and the cost to the employer of any scheme on the basis of that suggested by the Royal Commission has been furnished by a member of the Association.

The approximate cost of giving, for one year, free medical treatment in a mill comprising 2,725 workers would be as follows:—

						Rs.
Resident doctor	..	..	..	..	..	1,500
Compounder	..	..	..	..	..	564
Dispensary boy	..	..	..	..	..	171
Medicine	..	..	..	..	..	1,200
						<hr/>
				Total	..	3,435
						<hr/>

This would be Government's share.

The cost of cash benefits to the workers during sickness for the same period would be as follows, taking the period of sickness for which payment would be made as between a minimum of one week and a maximum of four weeks, and excluding cases requiring greater or less periods for recovery:—

—	Male.	Female.	Total.
Number of cases treated ..	4,236	716	4,952
Estimated number of weeks' leave required.	8,524	1,324	9,848
Number of workers employed ..	2,550	175	2,725
Number of weeks' leave for worker per annum.	3.3	7.5	..

The high figure for sickness amongst female workers is due to the fact that, in the case of the mill taken as an illustration, dependents living in the

lines were also treated. For better approximation this figure is brought into line with the figure for males as follows :—

—		Male.	Female.	Total.
Number of weeks' leave		8,524	577	9,101
		Rs. A. P.	Rs. A. P.	Rs. A. P.
Possible average rate of benefit		3 4 0	2 4 0	...
Amount required	28,703 0 0	1,298 0 0	29,001 4 0	

To this must be added the allowance to 26 maternity cases for 5 weeks each at Rs. 2-4-0 per week amounting to Rs. 292-8-0. Thus the sum to be found annually by the employer is Rs. 29,293-12-0 nearly nine times the amount of Government's share of the costs of the whole scheme.

3. As it is clearly inequitable that the employer should pay the whole cost of the scheme himself contributions would have to be deducted from the worker's wages. Assuming the annual wages bill in this particular case to be approximately Rs. 6,50,000 the sum to be expended on sickness relief would amount to 8-6 pices per rupee. If the employer were to pay one half of the cost of the scheme as suggested by Government a man earning Rs. 4 per week would have to contribute less than 1½ annas. This would not, it is considered, entail any great hardship and could be deducted from the workers' wages before payment, on an agreed sliding scale. This, however, would still leave about Rs. 15,000 to be found by the employer against Rs. 3,400 by Government, a disparity which is hardly in proportion to the benefits which might accrue from the working of such a scheme. It must be realised, moreover, that it would be easier for Government to see to the correct handling of any proportionate cash subsidy to the scheme than it would be for the employer to ensure a scrupulously honest award of leave certificates by a medical staff not entirely under his control.

4. In general, the interests represented by this Association are in agreement with the Royal Commission on Labour when they state that no argument put forward against any scheme for sickness insurance diminishes the need of the workers for provision during sickness. Until, however, Government has found it possible to establish labour bureaux whose functions would comprise the collection of statistics of labour movements, of the incidence of sickness and of the cost of inaugurating and maintaining insurance schemes modelled on the lines of the social

service departments which have been evolved by other countries only through many years of experience, it appears to this Association to be in the highest degree incongruous blindly to saddle Indian industry with any scheme which could only prove to be one of trial and error, mainly at the expense of the general body of employers.

5. Only one mill in the membership of this Association operates a scheme of sickness insurance for its workers which involves the payment of financial benefits. The rules which have been framed for the working of this particular scheme are as follows :—

1. (a) Only permanent employees are eligible for the benefits of the scheme. "Permanent employees" comprises all regular workers employed in the mill; it does not include substitutes taken on when permanent employees are on leave or are absent through sickness or any other cause.
- (b) Only those who live within the precincts of the mill are entitled to the benefits of the scheme. This does not mean only those workers living in the mill cooly lines, but includes all those living within a radius of about 7 to 8 miles of the mill. About 50% of the total labour force is housed in the mill lines.
2. (a) A man must be sick for at least two days before he can claim for any payment.
- (b) No person is paid for more than six weeks at a stretch.
3. (a) The amount of allowance is 50% of the wages, or Rs. 2-8-0 per week, whichever is less.
- (b) In cases where the allowance is payable for less than a week it is paid on the basis indicated in Rule 3 (a), i.e., 50% of the wages, or Rs. 2-8-0 per week, whichever is less.
4. The allowance is generally given on the Mill doctor's certificate, but in special cases it may be given on the certificate of an outside doctor.
5. No allowance is paid in respect of venereal diseases.
6. Injuries sustained outside the ordinary process of work also qualify for sick allowance.

It should be explained that this Mill is a self-contained unit with the whole of its labour force domiciled within a radius of 8 miles. These conditions are entirely different from those obtaining at any other mill in the membership of the Association. This scheme, which was inaugurated in order to help the workers to maintain themselves during their

periods of sickness without recourse to money-lenders, has been in operation for more than three years and is stated to be working very satisfactorily and to be much appreciated by the workers. The Mill in question owns 1,301 looms and the cost of the scheme is stated to be about Rs. 3,000 a year.

5. All the other mills in the membership of the Association pay maternity benefits to their female workers, the usual rate of allowance being Rs. 2-4-0 per week for a period of 5 weeks, with a possibility of further allowances at the discretion of the Mill management. I attach statements showing the details of some of these maternity benefit schemes and the cost of operating them over a period of years. Maternity cases are allowed leave until they report fit for work when they are once again taken into employment. In many cases the mills maintain Baby Clinics for the use of their workers' wives and children, and in all mills medical attention and free medicine are supplied to all employees.

MILL No. 1.

SICKNESS INSURANCE.

Date of commencement of Scheme	..	23rd December 1922.
Nature of Scheme	..	Maternity Benefit.
To whom it applies	..	Female labour.
Approximate pay limits of the different classes of workers covered	..	Minimum Rs. 2. Maximum Rs. 3-8-0.
The scheme is non-contributory.	..	The sum of Rs. 2-2-0 per week is now paid to each claimant for the period of 5 weeks.
Benefits offered	..	

Particulars of cost, etc., over last 5 years :

Year.	Average daily number of persons employed.	Number of persons covered.	Total yearly wages of persons covered.	Benefits paid.
1930	..		Rs. A. P.	Rs. A. P.
1931	..	3,541	702 72,621 1 0	312 12 0
1932	..	2,950	581 64,727 2 0	621 0 0
1933	..	2,361	525 55,504 4 3	414 12 0
1934	..	2,404	524 67,014 5 9	476 0 0
	..	2,408	506 59,247 11 9	490 14 0

MILL No. 2.

SICKNESS INSURANCE.

Date of commencement of Scheme .. 23rd December 1922.
 Nature of Scheme Maternity Benefit.
 To whom it applies All female labour.
 Approximate pay limits of the different classes of workers covered Rs. 1-8-0 to Rs. 3-0-0 per week.
 The scheme is non-contributory.
 Benefits offered Rs. 2-2-0 per week for 5 weeks.

Particulars of cost, etc., over last 5 years :—

Year.	Average daily number of persons employed.	Number of persons covered.	Total wages of persons covered.			Benefits paid.		
			Rs.	A.	P.	Rs.	A.	P.
1930	3,007	476	66,076	1	3	247	8 0
1931	2,296	413	44,746	15	3	315	0 0
1932	2,113	366	41,220	7	6	340	10 0
1933	2,127	354	40,415	15	9	354	14 0
1934	2,128	349	42,024	15	0	371	14 0

MILL No. 3.

SICKNESS INSURANCE.

Date of commencement of Scheme .. 6th September 1929.
 Nature of Scheme Maternity Benefits.
 To whom it applies All female employees.
 Approximate pay limits of the different classes of workers covered Rs. 2-1-6 to Rs. 3 per week.
 The scheme is non-contributory.
 Benefits offered Payments are made at the rate of Rs. 2-2-0 per week for four weeks and a special payment of a further Rs. 2-2-0 at the discretion of the Manager.

Particulars of cost, etc., over last 5 years :—

Year.	Average daily number of persons employed.	Number of persons covered.	Total wages of persons covered.			Benefits paid.	
			Rs.	A. P.	Rs.	A. P.	
1930	2,082	247	34,571 3 6		33 12 0	
1931	1,875	228	24,866 15 6		45 0 0	
1932	1,777	214	24,068 4 0		64 6 0	
1933	1,772	211	24,005 8 6		61 10 0	
1934	1,776	211	23,353 8 6		104 2 0	

MILL No. 4.

SICKNESS INSURANCE.

Date of commencement of Scheme .. January 1925.

Nature of Scheme Maternity Benefit.

To whom it applies All female labour.

Approximate pay limits of the different classes of workers covered Rs. 2 to Rs. 2-12-0 per week.

The scheme is non-contributory.

Benefits offered Rs. 2-2-0 per week for 5 weeks.

Particulars of cost, etc., over last 5 years :—

Year.	Average daily number of persons employed.	Number of persons covered.	Total wages of persons covered.			Benefits paid.	
			Rs.	A. P.	Rs.	A. P.	
1930	1,837	299	50,586 0 0		9 0 0	
1931	1,659	291	42,236 0 0		63 0 0	
1932	1,581	268	33,172 0 0		146 0 0	
1933	1,594	269	33,345 0 0		178 8 0	
1934	1,617	260	32,011 0 0		136 0 0	

Bengal National Chamber of Commerce.

The Committee would like to stress at the outset what they have already emphasised on previous occasions that the number and variety of labour legislation that is being enacted at quick succession by the Government of India cannot but have adverse repercussions on the Indian industries which are admittedly not at present in a position to bear the financial burden imposed by these legislations. The scheme of Sickness Insurance which is now under reference is no exception to the general proposition already mentioned, and the Committee regret they cannot accord their support at the present moment to the proposal to institute any scheme of Sickness Insurance for industrial workers in India. The essential features of any such scheme is the compulsory contribution to the insurance fund on the part of the employers, and even if a scheme might be adopted in such a way as to require both the State and the labourers to contribute their quota to the fund, the Committee do not think that the employers of industrial workers in India can in the present state of industrial development of the country be equitably asked to pay any extra amount, however small, in addition to the normal wage bill, particularly in view of the fact that employers do not feel sure that they will secure any benefit in return to compensate them the loss that would be incurring on account of the contribution paid by them.

The Committee would not, however, like to give the impression that they are definitely opposed to the principle of the scheme of Sickness Insurance. In fact, they view the problem quite sympathetically, and they would indeed be glad if some scheme could be devised whereby provisions might be made for the payment of some allowance to the labourers during the period they are forced to remain out of work due to illness. They would, at the same time, reiterate what they have already suggested above that the employers must be assured of a tangible return for any sacrifice which they would be called upon to make in order to recompense the loss suffered by the sick workmen on leave. With this object in view the Committee would like to suggest that the Government should themselves collect statistical materials regarding the operation of any scheme of Sickness Insurance adopted in any industrial centre in India. Such materials when collected and collated would give some idea as to the extent of the financial burden imposed on the employers by any scheme of Sickness Insurance together with the corresponding benefits, if any, that would accrue to them as a result, thereof. It is only when such relevant facts and figures are available that the employers might be prevailed upon to contribute to the Sickness Insurance fund,

and the Committee would therefore request that the Government of India would consider the feasibility of undertaking statistical enquiries of the kind suggested.

The Committee have also noted, in this connection, the request that the Government have made to them for furnishing them with detailed information in respect of any scheme of Sickness Insurance involving the payment of financial benefits at present being operated by industrial concerns affiliated to the Chamber. The Committee have made necessary enquiries in this regard, but they understand from such information as they have received from the members of the Chamber that no such scheme is in operation in the Province. It is for this reason that they have made the suggestion for the statistical materials being collected by the Government themselves, and for their part, they would be prepared to examine the subject again in the light of such facts and figures as may be available as a result of the investigations conducted by the Government. The Committee are therefore inclined to agree with the Royal Commission on Labour in India that any scheme of Sickness Insurance that may be adopted should await a statistical foundation, though they should at the same time point out that they cannot accord their support to the recommendation made by the Standing Advisory Committee of the Central Legislature attached to the Department of Industries and Labour (which is, in essence, the same as suggested by the Labour Commission). The Government of India have themselves rejected this recommendation, and the Committee agree that the maintenance of the "experience" cards will be a difficult and a costly task, which it will be impossible to prevail upon employers to undertake. The alternative suggestion made by the Government of India that actual experience gained in the operation of small experimental scheme should be made the basis of building a more comprehensive scheme is no doubt better and less open to objection, but even then, for reasons mentioned already, the Committee would request that before any such comprehensive scheme is finally adopted by the Government, the Commercial Community should be given a chance to examine the scheme in details and in the light of such facts and figures as may be available as a result of the statistical enquiry suggested above.

Indian Chamber of Commerce, Calcutta.

In regard to the comprehensive enquiry envisaged by the Royal Commission on Labour, the Committee of the Chamber agree with the views of the Government of India that such an enquiry besides being very costly, may not yield correct or reliable data. Moreover the Committee are of opinion that the time is not ripe for the introduction of any scheme in India, as the workers in India being yet illiterate, irregular and

conservative, it would be very difficult to induce them to go in for insurance against sickness. The experience of some mills is that even if the workers are forced to contribute towards a Sickness Fund, they do so most unwillingly and as soon as they go to other mills they at once discontinue their contribution. What is more, the sickness being abnormal among the workers in India, the Committee desire to point out that the rates of premium for insurance based on actuarial calculations would have to be fixed at a very high level. Besides, the Government of India do not appear to have taken note of the large number of hospitals and dispensaries that are attached to many big factories in India. The owners of these factories contribute a large amount towards the maintenance of these institutions and even if the Government of India insist on introducing a compulsory scheme of sickness insurance, such factories ought to be exempted. Moreover, looking to the present burden on industries and the difficult times through which several industries have to pass at present, the Committee do not think it advisable to throw any additional burden on the industries, as it would handicap them further. In view of all these difficulties, the Committee feel that it would be better to watch and wait till the time is ripe for the introduction of a general scheme for sickness insurance for industrial workers in India.

The Committee have also examined the alternative proposal of a " Tentative Scheme " applicable to single establishments, and they are of the opinion that the industrial employers should be left to themselves for experimenting their different schemes of sickness benefit for a number of years.

The Committee, on enquiry, learn that no voluntary sickness insurance scheme is in operation in any of the industrial establishments that are included in the membership of the Chamber.

BIHAR.

Government of Bihar and Orissa.

(13th December 1935.)

I am directed to enclose three statements in the form prescribed by Government of India showing detailed information of the sickness benefit schemes which are actually in operation in this province in the industrial concerns noted below.

Indian Copper Corporation, Ltd.

The Japaha Sugar Mills.

The East Indian Railway Collieries at Giridih.

There are other employers who although they have no such regular scheme, give their employers sickness benefits in the shape either of payment of sickness allowances or of leave with pay, as will appear from the few instances given below :—

(1) Most of the bigger collieries in the Jharia coalfield pay allowances to regular daily workers during their sickness, provided they undergo treatment by duly qualified colliery medical officers.

(2) The Indian Tinplate Company of India, Ltd., Tatanagar, provide medical attention free. Their monthly paid workers can avail themselves of leave with pay up to 19 days per annum, combining privilege leave and sick leave.

(3) The Tata Iron and Steel Company, Ltd., Jamshedpur, provide medical amenities to their workmen who are also offered the following sickness benefits :—

- (a) Leave with full pay to the extent the workman is entitled to such leave according to the company's work service rules,
- (b) accident leave with full pay during the period of incapacity to work (as certified by the Chief Medical Officer of the company) in the case of those injured on duty,
- (c) maternity leave with full pay for a maximum period of six weeks (as certified by the Chief Medical Officer), and
- (d) free medical aid to all employees.

(4) Most of the sugar factories in the Darbhanga district give their skilled workers full pay on the case of highly paid workers and half pay in the case of low paid workers throughout their absence on account of sickness.

(5) In the Lodna Bye-Product Coke plant, if a weekly paid worker produces a certificate from the factory doctor that his sickness has been attended to by the doctor, he (the worker) is granted half pay for the period of his sickness. Similarly, workers on monthly pay receive full pay.

(6) In the Bararee Coke Plant, the daily wage-earners who are paid weekly are allowed free medical attendance and medicine during their illness. Sickness benefit is generally paid as an act of grace to monthly paid workers for an unlimited period, each case being treated on its merit.

(7) The Sone Valley Portland Cement Company, Limited, grant to their workers.

- (a) full pay for accident cases till they are cured and discharged from hospital, besides all hospital charges including food.

- (b) half wages when an employee is asked to absent himself due to some infectious diseases in his family and full pay when the employee himself becomes a prey to such diseases, and
- (c) half wages in maternity cases for two months.

(8) The Jainty Central Colliery in the Santal Parganas pays sickness allowance at two annas per day to regular workers.

(9) The Pariharpur Colliery, Jamtara, gives only diet allowances to sick workers.

2. With regard to the two alternative methods of approaching the problem of sickness insurance for industrial workers, on which the Government of India ask for the views of the local Government, the present development of industry in this agricultural province does not, in the opinion of the local Government, promise any adequate results from the statistical enquiry of the kind contemplated by the Labour Commission. Labour is generally migratory, and most of workers, especially in the colliery areas, being agriculturists, do not attach much importance to their subsidiary occupation in industrial concerns, to which they resort only to supplement their income. They therefore, seldom care to stick to any particular establishment and, when taken ill, they usually, without giving notice to their employers, make for their homes to recover. In view of these facts, the Governor in Council considers that apart from being impracticable as explained in paragraph 5 of the Government of India's letter, the "Experience cards" would give no reliable statistics to go upon. The system of "experience cards" suggested is so very elaborate and complicated that not more than one or two industrial bodies would be either willing or in a position to maintain them.

3. In view of the general character of the present day labour and its tendency to go home as explained above, His Excellency in Council has also grave doubts as to the alternative possibility of building on the actual experience gained in the operation of small experimental schemes, as there can be no manner of check whether a worker is really ill or is malingering to get sickness benefit if such benefit exists, except in those factories or other industrial establishments where there are housing and medical facilities for workmen.

Indian Copper Corporation, Limited.

STATEMENT SHOWING NATURE AND COST OF SCHEME FOR THE PAYMENT OF SICKNESS BENEFITS.

1. (a) *Name and postal address of industrial establishment.*—Indian Copper Corporation Limited, Ghatsila P. O. Singhbhum Dt.

(b) *Date of commencement of scheme.*—July, 1924.

2. Nature of Scheme.

- (1) *To what class or classes of worker does it apply?*—Applies to all daily paid workers. These receive rates of pay varying between 4 annas and Rs. 3 per day.
- (2) *Is it non-contributory (i.e., financed entirely by the employer) or contributory?*—The scheme is contributory.
- (3) *In the case of a contributory scheme—*
 - (a) *Is it voluntary or compulsory?*—The scheme is compulsory.
 - (b) *What is the rate of contribution by—*
 - (i) *The employer?*
 - (ii) *The worker?*

The employer makes no actual contribution but gives free medical and hospital attention during absence from work. Contributions by workers are as follows:—

Those earning from 6 annas to 10 annas per day—deduction of 2 annas per month.

Those earning from 11 annas to Re. 1 per day—deduction of 3 annas per month.

Those earning over Re. 1 per day—deduction of 4 annas per month.

Those earning under 6 annas per day are not charged but are nevertheless given the benefit of the scheme when they are sick.

- (c) *How are contributions collected?*—Contributions are collected monthly from wages.
- (4) *What benefits are offered?*—When workmen are sick they receive half pay from the date when they are declared unfit for duty until the date when they are discharged as fit by the Medical Officer. When workmen are injured they receive half pay for seven days subsequent to the injury. After seven days they continue to receive pay but this is covered by our Workmen's Compensation Insurance and is not therefore concerned with the Company's Sick and Insurance scheme.

3. *Cost of the Scheme.*—The following information shews the operation of the scheme for the five years ending 31st December, 1934—

For contributory scheme.

Year. 1	Average daily number of persons employed. 2	Number of persons covered. 3	Total wages of persons covered. 4	Contribu- tribution by Workers. 5	Benefit paid. 6
1930	2,062	1,763	Rs. 6,97,710	Rs. 5,415	Rs. 5,349
1931	2,726	2,335	8,13,010	7,595	7,482
1932	2,845	2,402	8,26,847	8,636	4,371
1933	3,448	2,879	9,35,808	7,543	6,328
1934	4,275	3,601	11,75,530	8,372	8,530
			..	37,761	32,060

It will be noted from the above that a surplus of Rs. 5,701 arose during the period. This surplus is not however appropriated by the Company but is transferred to the workers' Welfare account after leaving a reasonably large balance on the Insurance account to cover contingencies. No part of the surplus is appropriated by the Corporation for its own use. It should also be emphasised, as has already been stated elsewhere that although no cash contribution is made by the employer, the Corporation is nevertheless out of pocket very considerably each year on account of the following expenses—

- (1) Salary of Medical Officer and Hospital Babu staff.
- (2) Cost of medicines supplied.
- (3) Cost of food for hospital in-patients.

Important Note.—As shown above our sickness scheme only includes daily paid workers. It should, however, be pointed out that the remainder of the employees who are paid on a monthly basis are not required to make any contribution but at the same time they are entitled to free medical and hospital attention during sickness and in their case they

receive their full wages during their absence from work. It will therefore be seen that the Company's concessions to monthly paid workers are even greater than to those who are paid on daily rate.

The Japaha Sugar Mills.

1 (a) Name and postal address of Industrial establishment. Japaha Sugar Mills, Bhicanpore Fy. P. O. Muzaffarpur.

(b) Date of commencement of scheme .. January 1930.

2. Nature of Scheme To give medical aid to employees.

(1) to what class or classes of workers does it apply ? To all classes.

(2) Is it non-contributory (i.e., financed entirely by the employer) or contributory ? Contributory.

(3) In the case of contributory scheme—

(a) Is it voluntary or compulsory ? Compulsory during season time, i.e., December to April (Approximately).

(b) What is the rate of contribution by—

(i) the employer ? All costs less amount of contribution.

(ii) the worker ? @ 0.02 per rupee during season only.

(c) How are contributions collected ? Deducted from pay.

(4) What benefits are offered ? Free medical aid and medicines.

N.B.—Please attach a copy of the rules or orders regulating the operation of the scheme No proper scheme made out.

3. Cost of the Scheme—for contributory scheme.

Year.	1	Average daily No. of persons employed.	No. of persons covered.	Total wages of persons covered.	Opening balance in fund.	Contribution by		Benefits paid.	9 Closing balance in fund.
						6 (a) Employers.	7 (b) Workers.		
1929-30	300	all	..	300	173	473	Nil.
1930-31	300	all	..	298	132	430	..
1931-32	300	all	..	312	235	547	..
1932-33	300	all	..	332	185	517	..
1933-34	400	all	..	93	324	417	..
1934-35	400	all	..	208	282	490	..

Approximate figures only.

East Indian Railway Giridih Collieries.

1. (a) Name and Postal address of Industrial establishment East Indian Railway Giridih Collieries, P. O. District Hazaribagh.

(b) Date of commencement of scheme .. 1893.

2. Nature of Scheme—

(1) To what classes of workers does it apply? All coal cutters and daily rated staff employed on manual labour or in supervision thereof and contractors labour.

N.B.—Please state approximate pay limits of the different classes of worker covered There is no pay limit.

(2) Is it non-contributory (i.e., financed entirely by the employer) or contributory? Contributory.

(3) In the case of contributory scheme—

(a) Is it voluntary or compulsory? .. Compulsory.

(b) What is the rate of contribution by—

(i) by the employer? Nil.

(ii) the worker? 6 pices per rupee.

(c) How are contributions collected? .. From wages bill in case of administrations' employees and from contract certificates in case of contractors labour.

(4) What benefits are offered? (A copy of the benefit fund rules is attached herewith).

3. Cost of the Scheme.

Year.	1	Average daily number of persons employed.	2	No. of persons covered.	3	Total wages of persons covered.	4	Opening balance in fund.	5	Contribution by		8	Benefits paid for sickness.	9
										6	(a) Employers.	7	(b) Workers.	
1930-31	8,784	8,784	15,55,170		..	..	..	23,029	6,498			..
1931-32	8,810	8,810	14,87,238		..	..	..	23,522	6,554			..
1932-33	7,050	7,050	13,05,727		..	..	..	28,670	4,685			..
1933-34	8,230	8,230	13,74,022		..	..	..	31,227	9,626			..
1934-35	8,997	8,997	13,83,063		..	..	..	43,998	8,168			..

Staff under Regulation Establishment not included.

(b) Non-Contributory Scheme.

Year. 1	Average daily number of persons employed. 2	Number of persons covered. 3	Total wages of persons covered. 4	Benefits paid. 5

9. *Benefits allowed by the Fund to subscribers.*—The benefits to be allowed by the Fund to subscribers are as follows :—

For sickness—

						Rs. A. R.
Men and women per week ..	..	..	..	..	..	0 12 0
Children per week ..	..	..	..	..	..	0 4 0
For living birth ..	..	..	..	..	..	3 0 0

For deaths—

Adults ..	..	..	..	..	..	3 8 0
Children under 3 years old ..	..	..	..	..	..	1 0 0

Sick benefits to be paid only for such members of a family as are subscribers.

These amounts are liable to revision from time to time.

10. Sick benefits shall not be given for less than 6 days certified absence and the payments shall be—

Men and women per day ..	..	..	..	..	..	0 2 0
Children per day ..	..	..	..	..	..	0 0 8

11. No payments shall be made to in-patients of the Administrations Hospital at Giridih, while in receipt of pay.

12. All benefits to be paid weekly.

BOMBAY.

Government of Bombay.

(31st October 1935.)

* * * * *

2. The letter under reply was widely circulated for canvassing public opinion. In all 63 bodies and persons were addressed of whom 39 replied. Of these, 11 were Government officers, nine represented employers' interests, seven were large labour employing organisations, eight represented workers' interests and four others.

3. The questions on which the views of the Governor in Council are invited are (1) the feasibility of a statistical enquiry of the kind contemplated by the Commission and (2) the alternative possibility of building on the actual experience gained in the operation of small experimental schemes. Owing to the somewhat narrow limits of these questions, most of those who replied confined themselves within those limits, with the result that little guidance has been obtained for the "exploration of all methods that might lead to the alleviation of the hardships due to the absence of an insurance scheme".

4. The opinion received seems to be overwhelmingly in favour of the introduction of tentative schemes, although nobody has offered to start one. There is also a general agreement that the proposed statistical enquiry would be difficult to carry out and might not yield accurate results in the absence of any actual experience of paying monetary benefits. The opinion received also seems to suggest that the introduction of tentative schemes need not await a statistical foundation.

5. The Government officers consulted are almost unanimously of the opinion that the proposed statistical enquiry would be impracticable, being too elaborate and expensive and they also doubt whether it would yield accurate results. On the whole they appear to be in favour of the introduction of tentative schemes. The Chief Inspector of Factories has pointed out that without honest co-operation between capital and labour it would be difficult to work a scheme of sickness insurance under Indian conditions, but adds that possibly individual textile factories, as an acknowledgement of protection given to them, would be willing to start a scheme. The Registrar of Co-operative Societies is in favour of tentative schemes but suggest that in the present circumstances sick leave with pay and medical facilities are the two forms of assistance available to Government servants and it is the extension of these two forms only to other workers which seems to be the direction in which benefits could be secured to them.

6. The employers' interests, with the exception of the Bombay Millowners' Association, do not seem to attach much value to the proposed statistical enquiry. The feeling generally is that nothing should be done because industry is not in a position to shoulder additional burdens and the workpeople will not be willing to make contributions. The Chamber of Commerce, Bombay, considers that a scheme of sickness insurance is premature and suggests that tentative schemes may be tried on a small scale in Government or private concerns. The Indian Merchants' Chamber apprehends that if the employers are made, by legislation, to make contributions they may reduce wages. The Bombay Millowners' Association think that until the industry is relieved of its present expenses on medical relief, it will not be able to bear any additional burdens. They, however, consider that even for the introduction of tentative schemes an exhaustive statistical enquiry is essential.

7. As regards large labour employing organisations such as the Bombay Port Trust and the Bombay Municipality, they are not in favour of the statistical enquiry which they feel would be difficult to carry out and might not yield accurate results. The Chairman of the Bombay Port Trust is, however, in favour of experimental schemes but fears that the workers will not be willing to contribute. In the opinion of the Municipal Commissioner the whole proposal is premature until labour feels the need of it and is prepared to bear its share of the burden.

8. The workers' interests consulted are generally of the opinion that something should be done and that, too, quickly. In this connection, I am specially to invite attention to the letters from the Social Service League, Bombay, and the Secretary, Ahmedabad Textile Labour Association. In the opinion of the Social Service League a statistical enquiry is not wanted as a certain amount of statistical evidence is already available. They, therefore, think that legislation should be passed for a comprehensive scheme of sickness insurance. This opinion is also shared by the Bombay Textile Labour Union. The Government of India are no doubt aware that the statement that the Japanese scheme of sickness insurance was introduced without sickness experience is not correct. The Ahmedabad Textile Labour Association while appreciating the difficulties pointed out in the Government of India letter suggest that experimental schemes should be started forthwith, especially in industries which enjoy protection and that the proposed statistical enquiry should also be made.

9. The Government of Bombay have had very considerable experience in the collection of statistical data of the kind suggested in the proposed statistical enquiry and in the light of this experience the Governor in Council has no hesitation in agreeing with the opinions

received on the question of the feasibility of the proposed statistical enquiry. In this connection, I am particularly to draw attention to the observations of the Commissioner of Labour, who has compiled a special memorandum on the subject, a copy of which is enclosed herewith. As the Commissioner points out, "the mass of detailed information asked for in the 'experience cards' appears to presume a degree of intelligence on the part of the average factory clerk, manager and employee and a clarity and a thoroughness in the keeping of records in an average factory, very much beyond what is in fact to be found there". The Governor-in-Council is, therefore, definitely of the opinion that the proposed statistical enquiry is too elaborate in character and is almost impossible of execution and, even if carried out would not yield results commensurate with the time, trouble and the cost involved. The Governor in Council is, however, of opinion that the "experience cards" system might be tried out in one or two of the industrial establishments under the control of the Government of India, where with the necessary staff and supervision it might be possible to compile a record which would be of value, not only in itself, but as a guide in future enquiries.

10. The Governor in Council is of opinion that there is undoubtedly a great deal to be said in favour of building on the actual experience gained in the operation of small experimental schemes. In this connection the Governor in Council desires, however, to point out that so far as this Presidency is concerned, with the solitary exception of the sickness scheme in the East India Tramway Company, Karachi, there is no experience to build upon and he is of opinion that some kind of statistical investigation would be absolutely necessary for starting any scheme, however small. In the present temper and financial position of the industries of this Presidency it seems doubtful whether any considerable number of employers would take up the introduction of such tentative schemes. Owing to the recent wage reductions which have taken place in this Presidency, it also seems doubtful whether the workpeople would readily agree to contribute their quota. In one mill here, which has started a voluntary sickness benefit fund, only 35 workers have joined out of a possible 3,000.

11. It has been suggested by some of those consulted that a tentative scheme such as the one outlined by the Labour Commission should first be introduced in Government factories. From the note on 'leave' attached to the memorandum of the Commissioner of Labour, it is clear that so far as factories managed by Government are concerned, the employees are in a far more favourable position than they could ever hope to be under any scheme of contributory sickness insurance. The

Governor-in-Council, therefore, does not feel justified in worsening the conditions of service of their factory employees by initiating such schemes merely to give a lead to private employers.

12. While therefore the Governor-in-Council cannot support any scheme which is based on the insurance principle, he is strongly of the opinion that the need of relief, particularly monetary relief, during sickness is an urgent one in the case of workers employed in industry. So far as ordinary medical facilities are concerned, they appear to be adequate, at least in the more important industrial centres of this Presidency but the practical difficulties of associating medical relief with the payment of sick benefit are almost insurmountable. The Governor-in-Council is therefore of opinion that the whole question must be viewed from one angle only, namely, helping the workers to avoid the economic consequences of ill-health. An obvious method of approach would be to encourage the formation of provident funds, co-operative credit societies, thrift societies and the like. But such matters are the product of time, propaganda, education and organisation and individual appeal. What is needed is something simple of universal application and the Governor-in-Council is of opinion that the solution is to be found in making it compulsory for all employers to grant leave with pay.

13. In this connection the Governor-in-Council desires to commend to the notice of the Government of India the suggestion made by the Commissioner of Labour that subject to certain conditions, workers in private industries should be granted 15 days' leave with full pay convertible into one month's leave on half pay per year with permission to accumulate it up to a maximum period of about three months subject to the proviso that leave in excess of one month will only be allowed on production by the worker of evidence that the leave is required because of sickness. The Commissioner of Labour estimates that the cost of this proposal to industry would not exceed 5 per cent. of the total wages bill.

* * * * *

15. As the Governor-in-Council is of opinion that the subject of sickness insurance requires more discussion than that involved in a consideration only of its statistical aspects he has thought it necessary not to confine his remarks to the specific questions asked in paragraph 6 of the letter under reference.

Commissioner of Labour, Bombay.

* * * * *

THE FEASIBILITY OF THE PROPOSED STATISTICAL ENQUIRY.

During the last 14 years the Labour Office has conducted numerous statistical investigations and has in recent years acquired a unique

experience of factory records in the course of its investigations into wages paid in perennial factories of this Presidency. It has also conducted two enquiries into the incidence of sickness among cotton mill operative in Bombay City. The first of these enquiries, which covered three cotton mills for a period of three months was made in response to a request by the Royal Commission on Labour and its results were published in the February 1931 issue of the Labour Gazette. This enquiry was continued for a further period of twelve months and a report based thereon was published in the March 1933 issue of the Labour Gazette. Every possible care was taken during the course of these enquiries to ensure the accuracy of the results. It was essentially an intensive enquiry, for one experienced full-time lady investigator was posted at each of the mills during the whole period of the investigation. In spite of this, however, the results obtained were not statistically unassailable because of the inherent difficulties of the problem. Dealing with the limitations of the enquiry, this is what the report says: "The main limitation of the enquiry is that it may have failed to include sick workers who had left for their native places or had failed to return to work in the same mill, sick workers who had absented themselves without leave, and had therefore been discharged, or, in a limited number of cases, in which a sick worker on his return was given a new ticket number or was transferred to some other department. * * * * * Owing to the general ignorance of the workers the Investigators experienced considerable difficulty in eliciting the true facts from them as regards the nature and duration of their illness. An even greater difficulty was the getting of information regarding ages. The complexity of the mill records was another difficulty".

In the light of our experience the proposed statistical enquiry seems an almost impossible task. The mass of detailed information asked for in the "experience cards" appears to presume a degree of intelligence on the part of the average factory clerk, manager and employee and a clarity and a thoroughness in the keeping of records in an average factory, very much beyond what is in fact to be found there. It would be foolishly optimistic to expect that the results of the proposed statistical enquiry would justify the trouble and the expense involved in the collection of those statistics, even assuming that a Statistics Act were passed for the purpose and that there was adequate supervision of the enquiry.

EMPIRICAL SCHEMES.

The Government of India have suggested that "even if there were a prospect of a comprehensive scheme being undertaken, it would be

a sounder and quicker method of proceeding to institute small empirical schemes, and to build on experience rather than on theory". They have pointed out further that such schemes as are contemplated by the Labour Commission can be introduced wherever medical facilities are or can be made available, provided that the employers and the workers are willing to make the necessary contributions. It is difficult to understand how, without some statistical foundation, it would be possible for any concern, however small, to start empirical schemes unless both parties were prepared to bear the cost of the scheme, however much estimates might be exceeded. The only statistical evidence available in this Presidency relates to a scheme which obtains in the Karachi Tramway Company. The full details of this scheme are not available but it would appear that of the total contributions for sickness benefits, one-third is contributed by the employers and two-third by the employees. The benefits are however payable only for sickness of *over four weeks duration* at a certain proportion of the salary varying according to the income and duration of illness. *Ex gratia* payments are also made to employees who may be in distress for causes other than sickness, or for funeral expenses, etc. From the figures supplied by the Karachi Tramway Company it appears that the average cost of benefit during the last five years was Rs. 5 per worker including the contributions of the employers and the employees, the smallness of the amount no doubt being due to the long "waiting period" of four weeks.

No other statistical evidence is available except the two Labour Office reports on the incidence of sickness referred to already.

It is true that in most departments of Government, in public utility companies and in some large labour employing organisations leave with pay during sickness is usually granted and thus some sickness experience is available, but admission to Government service is restricted to those who pass the necessary medical test and this experience, therefore, relates to selected lives which would not apply to factories where there is no medical certification prior to employment. Moreover, in many cases, a workman does not have to produce evidence of illness to get leave for a short period.

The three conditions mentioned by the Royal Commission for the successful working of a tentative scheme are (1) the availability of medical facilities, (2) willingness on the part of the employers to make contributions and (3) willingness on the part of the employees to make contributions.

(1) *Medical facilities.*

Speaking generally, in almost all the industrial towns of the Bombay Presidency there are cheap and adequate medical facilities for the poor.

In Bombay City, for instance, most of the mills and many other factories have dispensaries attached to them. There are in addition Government, municipal and private hospitals and also a large number of municipal dispensaries. The number of cases treated at these dispensaries in 1934 was 1,12,258. The position to-day in Bombay City, therefore, is that any sick person wanting medical relief can get it at little or no cost provided he cares to have it or knows where to get it.

(2) Ability of the industry to contribute.

It has nowhere been suggested whether such tentative schemes are to be voluntary or compulsory. Assuming, however, that they are voluntary it is unlikely that any appreciable number of employers would start a scheme. No industry is so prosperous that a scheme of this kind could be easily undertaken out of surplus profits. To most it would be a definite burden. A few might take up the scheme from philanthropic motives but there would be a reluctance to add to running costs an item that was not common to all.

(3) Workers' ability to pay.

During the last one or two years, with the exception of Ahmedabad, there have been heavy reductions in wages throughout the Presidency. The wage level in Bombay to-day in the cotton mill industry is considerably lower than it was three or four years ago, and it would be optimistic to expect that the workers would be willing to pay their quota of the contributions for a scheme of sickness insurance unless they are compelled to do so. This is quite clear from the fate of some of the voluntary schemes such as the one in the Tata Mills, Bombay, where hardly 35 workers out of 2,000 have joined the scheme.

With due deference to the observations of the Labour Commission it may be pointed out that the main difficulty of a scheme of sickness insurance is not so much the availability or otherwise of medical facilities or willingness or unwillingness of the employers or workers to contribute as the difficulty arising out of medical certification. It should be noted that the enquiry made by the Labour Office in 1930-31 clearly showed that inspite of the fact that there was a mill dispensary attached to each of the mills covered by the enquiry in 21.63 per cent. of the cases no medical treatment was taken by the sick worker, in 39.97 per cent. of the cases country medicines were used and only in 30.76 per cent. of the cases were western medicines availed of. Thus, in 60 per cent. of the cases western medical facilities were not being used by the workers even when they were available. The explanation of this seeming paradox may lie in one or more of the following directions. Some workers may have no belief in the western or any other system of medicine;

others may be ignorant of the existence of such facilities or may be afraid of approaching a doctor or they may be too ill to move. While all these possibilities remain, the true explanation appears to be psychological. That is to say, as soon as a worker falls ill, his thoughts turn to his village. He feels that the industrial town in which he is working is a death trap for a sick worker. His loneliness increases and with it increases also his longing to return to his native country. Therefore without any thought of the morrow or of his job or of his health he wends his way to the nearest wharf or station or is carried there by an obliging neighbour. He goes home and often returns better for the change and the rest without medicine—or dies and is heard of no more. That this is an attitude of mind that may be changed by education, or propaganda or force of circumstances no one will deny. The records of maternity homes and infant welfare centres during the past few years provide striking evidence of the fact that ingrained habits and customs may be changed when the people realise that there is something better to be obtained. But it must always be remembered that any scheme based on the principle of insurance, however remote it may be from the elaborate organisation of western countries, must have in it an element of compulsion and require from the working man a radical change in his normal habits where illness is concerned. This was recognised in Japan where for two years before the Act came into force the Bureau of Social Affairs, organised lectures in industrial centres to familiarise the workers and employers with the principle of the Act.

A SUGGESTION.

The above observations are merely of a negative character and do not carry us much further towards a solution of the problem of the alleviation of the suffering caused by sickness both physical and economic. It would appear, therefore, that the whole question must be examined from a fresh angle with emphasis laid upon the economic rather than the medical aspect of sickness. This examination assumes that the object in view is the relief of the distress caused by sickness rather than the illness itself. That is to say, while no more medical relief can be afforded than is at present available if the workers choose to take advantage of it and while no compulsion is used to make him take advantage of it, something can be done to help the worker financially when he is incapacitated from work. Here the line of approach would seem to be in the direction of the introduction of some system of leave with pay. As the note on 'leave' attached to this memorandum shows almost all the employees of Government, of public utility companies and of municipalities and port trusts are entitled to some kind of leave with pay for sickness as well as for private reasons. About 60 per cent.

of the employees in the engineering industry of this Presidency also enjoy this privilege. In a highly protected industry like the cotton industry, however, there is no provision for leave with pay so far as the ordinary operatives are concerned, although the clerical and the supervisory staff are entitled to leave with pay. In granting leave with pay both for sickness and for other contingencies, Government and other good employers have accepted the principle that during his tenure of service a person requires to remain absent from duty either for private reasons or on account of sickness for certain periods of time and during such periods of idleness, the man has to live and must therefore be remunerated. There seems to be no reason why this principle should not be accepted by private employers. The latter may argue and will argue that he employs a man and pays him for the work he does but he is not bound to pay him when he is not working. But that argument has been held not to hold good in the circumstances contemplated by the Workmen's Compensation Act, and the Maternity Benefit Act. In these enlightened days the argument cannot prevail in the case of sickness. Since, therefore, it is not possible, owing mainly to the difficulties of certification to formulate in the near future a comprehensive scheme of sickness insurance, and since, left to themselves, the employers cannot or will not introduce tentative schemes of sickness insurance, it would appear that the only manner in which some relief could be granted to the operative employed in private industries would be by passing legislation, making it compulsory for the employers to give, 15 days leave on average pay convertible into one month's leave on half average pay per year subject to qualifications such as length of service, etc. The main object of this proposal is to enable the sick worker to avoid, as far as possible, the economic consequences of sickness and if this purpose is to be achieved it would appear that an employee should be allowed to accumulate leave up to a period of three months. This provision is not likely to be of much use in Bombay City or other industrial centres where labour is migratory, but might be helpful in other places. If the law laid down that leave should be granted for the purpose of sickness alone, then the same difficulty would arise as in the case of a sickness insurance scheme, namely, the question of certification. It is, therefore, suggested that an employee should be entitled to 15 days leave per year irrespective of the cause. It is true that if legislation of this kind were passed there would be an inducement on the part of the employers to evade the law by dismissing an operative as soon as leave became due to him. Similar fears were expressed regarding the Maternity Benefit Scheme but experience has shown that they had little foundation. The law relating to leave would become as incidental to the operation of an industrial establishment as the Factory Act or the Workmen's Compensation Act and cause as little disturbance.

The compulsory grant of 15 days paid holidays in the year would naturally be an additional financial burden on the industry, offset perhaps by some increase in the efficiency of the operatives and possible to meet in part by factory organisation that would not put so much reliance on the badli.

In each of the last two years, there were in the Bombay Cotton Mill Industry 55 holidays including Sundays, that is to say, there were 310 working days. If 15 days leave with pay is granted each operative would be doing 295 days work and would get wages for 310 days. This would mean that the total addition to the wages bill would be about 5 per cent. which, it may be pointed out is far less than the wage cut that have been effected in recent years in almost all employment.

A note on the position as regards leave granted in perennial factories of the Bombay Presidency.

In the course of the General Wage Census in the perennial factories of the Bombay Presidency conducted by the Labour Office last year, information was also collected on the question of leave. As will be seen from the summary of the position given below the method of granting leave varies considerably from concern to concern and no broad generalisation as regards the position is therefore possible.

Textile Mills.

Out of the 215 textile mills in the Presidency only two small concerns in Ahmedabad reported that they granted leave with pay to their workers up to 10 days in a year in the first case and at the discretion of the proprietor in the second. Most of the other factories grant leave without pay for periods varying from a few days to about two months in a year. Although there is no system of granting leave with pay to the operatives more than half the textile mills in Bombay, over 90 per cent. of the mills in Ahmedabad and over 45 per cent. of the mills at the other centres grant leave with pay to officers, supervisory and clerical staffs, sepoys, watchmen and certain categories of monthly paid workers for 15 to 30 days in a year, and in some cases even for longer periods at the discretion of the management. In some concerns some monthly paid workers are granted leave with pay for two or three days in a month, and in case such leave is not availed of during the year, one month's leave with full pay or one month's pay in lieu of leave is granted. In one group of mills in Bombay, watchmen are granted 15 days sick leave with pay per year on production of a medical certificate.

Engineering Concerns.

Thirty seven railway workshops in the Presidency employing a very considerable number of workers have different sets of leave rules for their employees.

In the G. I. P. Railway, the staff on consolidated rates of pay engaged before 1st July 1925 is granted 30 days leave with full pay, 30 days leave with half pay and 10 days casual leave with pay. Consolidated staff engaged between 1st July 1925 and 31st August 1928 is granted 30 days leave with full pay, 30 days sick leave with pay and 10 days casual leave. Consolidated staff engaged after 1st September 1928 get 24 days leave with full pay, 24 days sick leave with half pay and 10 days casual leave. Staffs other than those on consolidated rates of pay engaged before 1st September 1928 and including all permanently employed monthly paid workshop, running shed and menial staff and all permanently employed engineering gangmen even though they are paid at a daily rate of pay, and labour employed on construction, are granted 15 days leave with full pay in a year. The leave is not cumulative and cannot be claimed as a right. It may be made use of, as far as possible, to cover absence on account of sickness. Staff coming under the latter category and engaged after 1st September 1928 is granted no leave with pay for the first three years of service, 10 days leave per year with pay for three to ten years' service, 15 days leave with full pay from 10 to 20 years' service, 20 days leave with full pay after 20 years' service. Leave without pay to the extent of 30 days in a year is also granted to the staff, if necessary.

The workshop staff of the B. B. and C. I. Railway is granted leave as follows:—For service upto three years, 15 days casual leave *plus* two holidays, for three to ten years' service, 10 days leave on full pay *plus* 15 days casual leave and two holidays; for 10 to 20 years' service, 15 days leave on full pay, 15 days sick leave on half pay up to a maximum of 60 days *plus* 15 days casual leave and two holidays; for service of 20 years and over, 20 days leave on full pay, 30 days sick leave on half pay limited to 120 days in all, over the entire service, in addition to 15 days casual leave *plus* two holidays.

The daily rated staff in the M. and S. M. Railway are granted leave as follow:—Less than three years' service, *nil*; three to ten years' service, 10 days leave on full pay, 10 to 20 years' service, 15 days leave on full pay *plus* leave on medical certificate on half pay not exceeding 15 days in any one calendar year and 60 days in all. Over 20 years' service, 20 days leave on full pay *plus* leave on medical certificate on half pay not exceeding 30 days in any one calendar year and 120 days in all.

In his Majesty's Mint, the permanent staff is granted 20 days casual leave *plus* leave under the fundamental rules (*i.e.*, one month's privilege leave for 11 months of duty *plus* an equal amount of sick leave) while temporary staff is granted casual leave for 15 days in a year.

In the Poona Water Works workmen on daily rates are granted leave without pay while members of the work-charged establishments employed on regular work leave upto 1/11th period of continuous duty performed and limited to two months at a time is granted subject to certain conditions.

In the three Government Saw Mills at Kanara, leave may be granted to any worker upto one month at the discretion of Divisional Forest Officer if he has worked satisfactorily for the previous twelve months but subject to the condition that no extra expense is involved.

The workers in the Agricultural Engineer's Workshop, Poona, are permanent Government servants and leave is given to them according to the B. C. S. R.

In the Government Medical Stores Depot, Bombay, 10 days leave with pay is granted after one year's approved service in the case of the inferior establishments. All temporary Indian workers in the Arsenal Workshop, Kirkee, are granted leave without pay and leave for permanent men is governed by the C. S. R.

The workmen in the R. I. M. Dockyard in Bombay, the Ammunition Factory at Kirkee and the Government Central Stores Workshop at Dapuri are granted leave without pay.

In the Dudheshwar Water Works and the Jamalpur Pumping Station at Ahmedabad leave is granted according to B. C. S. R. as modified by the Municipal rules, *i.e.*, 20 days casual leave *plus* one month's leave on average pay for 11 months' service.

In the five Bombay Municipal Workshops the cases of officers, clerks, etc., are governed by the Government fundamental rules. As regards the workers, casual leave with full pay is granted in two of the workshops at the rate of one day for each calendar month's service after three months initial service has been put in, while casual leave with pay is granted in two other workshops amounting to 15 and 20 days respectively in a year. 14 days leave with pay is granted in the Bombay Port Trust, Stone Crusher at Wadala and Mistries are granted leave with pay in the Mazagaon Docks.

In the six Tata Power Concerns workers in Class A get 62 days leave per year, workers in Class B, that is clerical, get 42 days leave in

a year, workers in Class C, that is, mechanics, drivers, etc., on permanent list get 28 days leave in a year and workers in Class D, that is, maintenance labour, get 14 days leave with pay in a year.

The Bombay Telephone Company's permanent staff are granted 14 days annual leave *plus* 14 days sick leave with pay. In the Bus Garage of the B. E. S. T. Company 15 days wages are paid after one year's steady work and not more than 24 days' unauthorised absence during the year. In the Ahmedabad Electricity Company the engine room staff are granted 30 days privilege leave *plus* sick leave upto 30 days per annum with or without pay at the discretion of the management.

In the engineering industry as a whole, nearly 60 per cent. of the operatives employed in the industry enjoy leave with pay for varying periods.

Printing Presses.

Out of the 98 printing presses in the Presidency 15 grant regular leave with pay to their operatives, 5 grant some leave with pay to selected workers while 14 others grant leave with pay only to clerks, proof readers, foremen, etc.

In the Government Central Press, Bombay, time workers are granted 20 days casual leave *plus* privilege leave amounting to $2/11$ of the period of duty in the case of employees who joined before 1st June 1929 and $3/22$ of the period of duty in the case of those who joined thereafter. Piece workers get one month's average pay as bonus for satisfactory work and regular attendance, allowing absence upto a maximum of 20 days in a year. In the two Government Presses at Poona, leave conditions are the same as in the Government Central Press, Bombay, except that compositors on the efficiency wage system in the former are allowed 12 days casual leave in a year. In the G. I. P. Railway Printing Press leave with pay is given after three years' service for a period varying from 10 to 20 days in a year according to the length of service. There is also some provision for sick leave. In the B. B. and C. I. Railway Printing Press workers are granted 30 days privilege leave *plus* 10 days casual leave with pay during the year.

Miscellaneous concerns.

Out of the 55 oil, paint, soap and other miscellaneous factories, 10 grant leave with pay to clerks and monthly paid workers while six other factories grant leave with pay to some workers also. Among the

concerns granting leave to monthly workers, the staff of the Government Central Distillery, Nasik, is governed by Bombay Government rules and get 20 days casual leave *plus 2/11th or 3/22* period of duty in a year. The leave with pay granted to monthly paid workers in the other concerns varies from a fortnight to a month in the year.

Commissioner in Sind.

The scheme of the kind contemplated is actually in operation only in the East India Tramway Company, Karachi, a copy of detailed information regarding which, according to the form sent, is herewith forwarded. No mills or factories in Sind have any such scheme, although in the town of Mirpurkhas in Thar Parkar district, consulting medical officers are attached to cotton ginning factories. These however work only seasonally from October to March and during the time that the factories are closed the labourers seek other work.

No statistics are available regarding the percentage of illness amongst employees. It will be difficult to secure them as it cannot be ascertained when absence from duty is due to illness; employees often do not return to work, and sometimes prefer, when ill, to proceed to their native province. These will be additional factors against the proposed Experience Card System.

As regards the relative merits of a statistical enquiry and an experimental scheme of sickness insurance it appears to the Commissioner that, for the reasons pointed out by the Government of India, in paragraph 5 of their letter, it is doubtful whether any advantage will be gained by proceeding with a statistical enquiry. Such an enquiry, however elaborate, could not be a substitute for actual experience. The Commissioner considers that there should be no insuperable difficulty in adapting to Indian conditions schemes of sickness insurance in operation in other countries and adopting them as a tentative measure. As stated in paragraph 4 of Government of India letter, however, the scheme can be introduced where medical facilities exist and the employers and employees are willing to make the necessary contributions.

While it is thought that the employees would welcome such a scheme, it is apprehended that the employers will be reluctant to make contributions, particularly in the present days of depression in trade. In the opinion of the Commissioner it would be advantageous to have a scheme based on experience gained with reference to some particular trade or occupation.

Statement showing nature and cost of scheme for the payment of sickness benefits.

I.—(1) Name and postal address of industrial establishment. East India Tramways Co., Ltd., Karachi.

(2) Date of commencement of scheme. Over 30 years ago.

II.—Nature of Scheme.—

(1) To what class or classes of workers does it apply ? All classes of workers.

N.B.—Please state approximate pay limits of the different classes of workers covered.

(2) Is it non-contributory (*i.e.*, Contributory, financed entirely by the employer) or contributory.

(3) In the case of a contributory scheme—

(a) Is it voluntary or compulsory Compulsory.

(b) What is the rate of contribution by—

(i) The employer .. Rs. 30 p. m. *plus* conductor's excesses and $3\frac{1}{2}$ per cent. of the interest collected from loans granted to employees by the Company.

N.B.—This practically equals $\frac{2}{3}$ rds the employees' contribution.

(ii) The worker.. .. One pie per rupee of wages.

(c) How are contributions collected. On pay day.

(4) What benefits are offered? Copy of the Society's Rules attached herewith.

Year. 1st August.	Average daily No. of persons em- ployed.	Number of persons covered.	Total wages of persons covered.	Opening balance in fund.	Contributions by (a) Em- ployer. (b) Wor- kers.	Benefits paid.	Closing balance in fund.
1	2	3	4	5	6	7	8
1929-30 ..	314	314	Rs. a. p.	439 6 5	631 2 6(a) 922 12 11(b)	1,669 8 0	393 13 10
1930-31 ..	314	314		393 13 10	467 0 9(a) 1,021 11 5(b)	1,746 10 3	135 15 9
1931-32 ..	314	314		135 15 9	530 4 9(a) 910 8 7(b)	1,487 1 6	89 11 7
1932-33 ..	314	314		89 11 7	627 1 4(a) 921 8 3(b)	1,424 3 9	214 1 5
1933-34 ..	314	314	Too much work involved to give this information.	214 1 5	688 9 2(a) 912 11 0(b)	1,380 13 6	434 8 1

KARACHI TRAMWAYS SICK AND BENEFIT SOCIETY.

Objects of Society.

This Society is formed for the purpose of assisting the employees of the Company during sickness, or when other causes intervene and prevent such members from working.

The Society will also assist members who fall into monetary difficulties through no fault of their own, and will assist them to meet funeral expenses, etc., when the Committee is convinced that to meet such expenses is beyond the means of the members applying for assistance and to give such assistance to the relatives of deceased employees as is possible.

The following rules have been framed and passed for the benefit of the members and the guidance of the Committee.

Rules.

1. All employees of the Company must belong to the Society.

2. On leaving the Company's service rights of membership shall cease.

3. Members shall receive assistance when sick, providing the sickness is not caused by his own negligence, carelessness, neglect or fault, on the following scale. The Secretary, on application of a member, who has been sick more than four weeks, may pay immediately the amount due according to rules.

Amount of salary.	For 3 months from date of sickness.	For further 3 months from date of former scale ceasing.
From 0 to 30	50 per cent. of average salary.	25 per cent. of salary.
From 30 to 40	40 per cent. of average salary.	20 per cent. of salary.
From 40 to 80	30 per cent. of average salary.	15 per cent. of salary.
From 80 to 100 or upwards	20 per cent. of average salary.	10 per cent. of salary.

4. The Committee to have the power of making grants for the purpose of defraying doctor's expenses, meeting the expenses of sending members to their own or other country for change of air and for all or any other cause that in the opinion of the Committee comes within the objects for which this Society has been formed, *viz.*, mutual assistance and the encouragement of thrift.

5. In the case of the death of a member of this Society the Committee may if they think fit give assistance to the widow, children or next-of-kin of the deceased, but in no case shall such assistance be of a more liberal scale than shown in rule 3.

6. The decision of the Committee shall in all cases be final and no appeal against its decision will be allowed.

7. The Committee shall consist of the following gentlemen:—

1. The Manager of the Company for the time being.
2. The Assistant Manager for the time being.
3. The Traffic Superintendent for the time being.
4. The Store Keeper for the time being.

8. No member shall apply for assistance, till he has been ill at least four weeks without receiving pay from the Company.

9. Any member entitled to and requiring assistance, on account of sickness shall make application for the same to the Secretary, attaching certificate from the sick fund doctor, or civil hospital certifying that he was under treatment for the period mentioned in his application, otherwise he will not be entitled under any circumstances to any assistance from the sick fund.

Collector of Ahmedabad.

* * * * *

Although no remarks have been asked for on the general suitability of a system of payment of sick benefits, I venture to observe, that one of the major obstacles to the successful working of any such scheme in industrial areas in India, Ahmedabad City, for example, is the opposition that will be raised by labour to regular deductions from their pay, because at present the number of persons engaged in industrial labour, who spend their entire working life in one type of labour, is not large,—in short the industrial population is migratory to a high degree. I would point out that a spinner in a Mill may work in that capacity for a few years and then revert to agriculture or adopt some other profession:—Even during the total period of time that he continues to work as a spinner, he is not necessarily a regular attendant in the Mill, quite frequently he offers as a substitute, a wife or child or relation or friend and disappears for reasons other than sickness, for a period from one day to two or more months, and on his return quietly displaces his substitute. The question will then arise who exactly is to receive the benefit and how. A panel doctor system will not be easy to establish, mainly because it is not possible at present to obtain a sufficiently large number of medical men and chemists with the necessary degree of integrity, to work the system in a manner which will gain the confidence of all the parties concerned.

Labour Officer, Bombay.

An Insurance Scheme of the kind suggested could only be worked successfully in a well-organised industry, but out of the sixty textile mills in Bombay City and Suburban area I should not be far wrong in classing them :

1st Class, 15

2nd Class, 20

3rd Class, 25.

In this state of affairs, it would be useless to proceed with an issue of "Experience Cards", and there is also the fact to be taken into consideration that the totals of Badli labour far exceed those of the Permanent workers; so that returns would be largely fictitious. For instance, there have been examples of 1,000 Permanents and 2,000 Badlis in the same mill, due to the former unrestricted power of recruitment being left in the hands of corrupt Jobbers that is at present being brought under proper control, tending towards the establishment of a Labour Exchange in the near future.

I would therefore recommend as a beginning that the Daily Returns of Attendance on Night and Day Shifts should show Permanents and Badlis separately, and in order to avoid mistakes the Badlis would have to be marked "A", "B", "C", "D", etc., for tracing the progress of the same Badli throughout the month. He would be shifted about on different numbers as soon as the Permanent Hands rejoined for duty. Last Pay-day, for example, I noticed a number of Badlis at Madhowji Dharamsi Mills with not less than four separate Pay Tickets per man, while there would have been four times as many Badlis each with one-fourth pay on the former Jobber system. I may add that the incidence of Day and Night Shifts sickness could also be discovered.

A small scheme of the kind would be valuable if it gave the causes of Absenteeism amongst the Permanent hands; (1) Leave, (2) Absent without leave, and why, (3) Illness; Doctor or Gavti.

This information could be collected by a staff of 6 clerks, 5 of them touring daily to one 2nd Class and one 3rd Class Mill each and handing in their returns to a Compilation Clerk, over a period of six months, out of which the results of the first couple of months could be discarded. I am confident that the information obtained would be of profit to the Millowners and of advantage to the Millworkers to a degree little suspected by the former.

Registrar, Co-operative Societies, Bombay Presidency.

While there can be no two opinions about the urgency of the problem of sickness insurance in India for industrial workers and of the need of basing all sickness insurance schemes on statistical investigations, there is considerable scope for doubt about the feasibility of a statistical enquiry of the kind contemplated by the Labour Commission. The difficulties enumerated in paragraph 5 of the Government of India's letter are, of course, true so far as the labour conditions in India are concerned.

2. The alternative possibility is, therefore, the introduction of experimental schemes in industrial establishments. The experience gathered after a few years of the operations of such schemes will enable a better study of the whole problem of sickness insurance and will, no doubt, help to formulate a more comprehensive policy of sickness insurance applicable to all workers in organised industry throughout the country.

3. As regards the details of schemes actually in operation in industrial establishments, involving the payment of financial benefits, I am not aware of any such schemes in industrial establishments in the Bombay Presidency. At present "sick leave" and medical facilities are the only two forms of assistance available to workers and that too under Government, Railways and other large public or semi-public establishments. To me, at present, the extension of these two forms only seem to be the direction in which benefits could be secured to the worker. As the Labour Commission has pointed out, medical benefits could best be undertaken by Government on a non-contributory basis. The illiteracy and backwardness of the worker, and the "lack of faith" in modern medical methods will prove great difficulties. While, therefore, it is desirable that employers might well provide medical facilities to supplement the facilities provided by the State in this respect, the worker cannot be expected to contribute towards the maintenance or extension of medical facilities which he either might not like to utilise or which he cannot utilise during sickness on account of his migrating to his village.

4. I am, therefore, of opinion that any scheme prescribed or recommended to all well organised industrial establishments must contain the following salient features among others :—

- (1) Leave with allowance for sickness of the labourer for a definite period related to the total employment ;
- (2) Medical assistance not only for certification but also for free treatment should be provided for by employers under their own doctors ;
- (3) The employees should be entitled to one-half ordinary wages during the period of sickness ;
- (4) Should the contributory basis system be adopted, contribution according to sliding scale may be insisted upon from employees purely with a view to enable them a longer period of leave ; and
- (5) Medical examination of recruits in order to check the necessity of heavy contribution by the employers for this purpose.

II.—LARGE LABOUR EMPLOYING ORGANISATIONS.

Agent, Great Indian Peninsula Railway, Bombay.

There is no scheme for the payment of sickness benefits on this railway other than the granting of sick leave with pay.

Bombay Port Trust.

For the reasons given in paragraph 5 of the Government letter, I agree that a statistical enquiry on the lines of the suggested "Experience Card" would be difficult to carry out and in any event would probably serve no useful purpose. In my opinion a better approach to the problem would be afforded by actual experience gained in the working of small experimental schemes.

It seems likely that in the first instance these experimental schemes would necessarily be on a non-contributory basis, and should first be given a trial in selected industrial organisations, as it is more than probable that workers may be reluctant to contribute towards insurance out of their earnings, which are often barely sufficient for their current needs, particularly when they are allowed to contribute to a Provident Fund.

I am not aware of any industrial establishment in Bombay where there is a scheme of sickness benefits (applicable to the labouring classes)—apart from leave on full pay or half pay—either contributory or non-contributory.

Karachi Port Trust.

As conditions of labour exist at present it is doubtful if workers in the Port Trust would be willing to make the necessary contributions.

The Karachi Port Trust could carry out the statistical enquiry suggested by Government as regards their workers, but it would entail a very considerable amount of work for which extra clerical assistance would be required.

The conditions of labour vary so much in different parts of India that it is doubtful if the information gathered would be of more than local value.

The Port Trust has no such schemes as are alluded to in operation and I do not know of any industrial establishment where such schemes are in operation in India. I am, therefore, not able to express an opinion on the feasibility of building on the actual experience gained in the operation of small experimental schemes.

Municipal Commissioner for the City of Bombay.

The Municipality maintains no industrial establishment except the Municipal Workshops, and there is no scheme of sickness insurance for workers here. These workmen are granted casual leave on full wages from 12 to 20 days in a year during sickness or for absence due to other causes. Female labour employed on conservancy or similar work is granted in addition maternity leave on full pay for a period not exceeding 42 consecutive days including the date of confinement. Labour employed on Water Works outside the City is allowed one month's leave on full pay in a year if stationed in malarious tracts, provided the person concerned produces a medical certificate that he is in urgent need of change. In addition to these concessions, workers to whom the Workmen's Compensation Act, 1923, applies are entitled to the compensation payable under Section 4 (1) (d) of the said Act.

2. It is no doubt true that a scheme of sickness insurance for labour in this country would greatly redound to its advantage. But I doubt whether workmen would appreciate or welcome a scheme which required them to make a contribution, however small, towards it. It was with great difficulty that we could induce them to contribute to the Provident Fund Scheme in force here, and I doubt very much whether they would agree to another deduction from their wages. From the employers' point of view also I doubt whether the Corporation would willingly adopt a scheme which involved a further drain on their attenuated finances. I therefore think that the proposal is premature until labour feels the need of it and is prepared to bear at least its share of the burden.

3. As regards the statistical enquiry suggested by the Royal Commission, I agree with the views of the Government of India that the data furnished would be unreliable, and its collection costly and cumbersome.

Chamber of Commerce, Bombay.

* * * * *

2. My Committee have very carefully considered the whole question in consultation with the Labour Sub-Committee of the Chamber and in replying to this reference I am to point out that apart from the economic effect of all the other industrial legislation which has been introduced in recent years in this country, conditions of labour in India and particularly the mental equipment and outlook of the labourer, make the adoption of a scheme of contributory health insurance altogether premature. Even

in the United Kingdom with its highly scientific industrial organisation, such legislation has been in force for only about 20 years and the present proposal seems to be a further attempt to impose on India an imitation of the British model for which she is not ready. My Committee are definitely of the opinion that the scheme of sickness insurance will not work satisfactorily in India and they consider that the introduction of any such scheme should be withheld until such time as it will be possible to gauge the effect of the existing welfare work which has been introduced so rapidly in recent years especially into the local cotton textile industry. In this industry practically all mills give free medical attendance, and in most cases to the families of the workers as well. Above a certain grade, leave from 15 days upwards is given on full pay and in addition the Maternity Benefit Act is in force in this Presidency. It might be mentioned here, incidentally, that the latter Act is not, even now, known fully to female operatives and cases occur regularly where applications for benefits are not made and the Mills are unaware of the cases. It has been pointed out to my Committee that at the moment it is dearer to produce cloth in Bombay than in Lancashire and an analysis of costs shows that in spite of sickness and unemployment insurance being a direct charge on the industry in Lancashire, much of the increased cost in India is made up of extra charges including housing, welfare work, etc., most of which is provided by the State in Lancashire. In this connection I am attaching hereto a statement showing the welfare work done in one of the larger groups of mills as indicative of what is already being done on a voluntary basis by the Bombay Mill Industry.

3. In regard to the statistical enquiry proposed by the Whitley Commission my Committee are strongly opposed to any suggestion of an elaborate and undoubtedly expensive statistical enquiry. They are of opinion that if it is thought necessary that the way should be felt towards the possible introduction of a general insurance scheme, this should be done by experiments on a small scale. As the Government of India suggest, such empirical schemes would be sounder and more quickly brought into operation. At the same time they would afford the experience, necessary on which gradually to build a more comprehensive scheme should, eventually, this be considered practicable. It is suggested that the experiment might first be tried either in some of Government's own industrial establishments or in selected private establishments which may be willing to make a trial, in which case they should be entitled to ask for the assistance, financial as well as advisory, of Government. This will mean, of course, that the industry will in the long run still pay but the incidence will be spread.

List of Welfare Work carried out by a Group of Mills in Bombay.

1. Mill Dispensaries for free medical attendance in case of sickness (to the families of workers also) and accidents.
2. Loans from C. C. Societies at low rate of interest and on easy repayment.
3. Cheap and wholesome refreshments from Canteens and midday meals from Boarding Houses.
4. Rooms at cheap rental in Coy.'s Chawls in the vicinity of the mills.
5. Baby Creches for nursing the children of women operatives while the women are at work.
6. Night schools for workers and workers children.
7. Cheap grain and retail cloth shops for supplies on monthly credit.
8. Scholarship to Technical students for regular attendance.
9. Facilities for booking operatives' Money Orders to villages.
10. Payment of wages by Hawalla before pay day for operatives going on leave or leaving service.
11. Hostel for women workers.
12. First aid men and Safety First Committees.
13. Gratuities and Compassionate allowance for long and loyal service.
14. 15 days leave per year to Jobbers and Muccadums. 15 days sick leave to Pcons and Watch and Ward Staff.
15. Provident Fund Membership to some of the operatives working in a supervisory capacity.
16. Help from profits of Canteen in case of difficulties

Indian Merchants' Chamber, Bombay.

My Committee feel that it will not be possible to ask workmen to make their contributions towards this insurance. The workman in India is still unorganised and has not realised the benefits of Trade Union organisation by making regular contributions. Until the Trade Union organisation grows, there seems to be no hope of securing any voluntary contributions from the workman: and if it is imposed by Law, it might lead to reduction of his real wages.

With regard to contribution by employers, it is very doubtful whether industry in its present condition can bear additional charge, and efforts may, therefore, be made indirectly to reduce the wages in any other manner, if compulsory contribution from employers is levied.

Workers are not concentrated in India in the same manner as elsewhere abroad. Sickness insurance is not yet adopted in all industrial countries. It is more important that if such a scheme is instituted, its administration should be efficient and its operation should be beneficial to the class of workers for whom it is intended.

My Committee fully sympathise with the object of the proposal of Government and if workable schemes are forthcoming they would be glad to support them, but the difficulties mentioned above seem to be insuperable.

If the scheme is at all adopted, my Committee are of opinion, that it would have to be for selected industries and for selected districts as an experiment.

It seems more important in India to strengthen the machinery for medical relief at the hands of Municipalities and in urban areas generally where the industry is located. Such medical relief is at present financed partly by voluntary contributions but largely from municipal taxation to which employers and employees are indirectly contributing. It is not yet demonstrated that this method would not be more suitable for India, if its volume and scope are extended, so that relief can reach all those who are in need of it.

The illiteracy of the workman and his inability to grasp the idea of insurance contribution whose benefit he can derive only if and when he needs it, are going to be the rocks on which every proposal which might be put forward with the very best motives, might break to pieces.

The Karachi Indian Merchants' Association.

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2. My Committee after careful consideration of the question of introduction of sickness insurance have come to the conclusion that having regard to the Indian conditions it is impracticable to introduce an elaborate scheme of sickness insurance based upon actuarial calculations and contributions by the employees in industrial establishments in India. My Committee also believe that it is not feasible to collect the requisite statistical data in the form of "Experience Cards" drawn up for the purpose. The form is too elaborate and the collection of the requisite information will entail considerable expense and labour on the employer.

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Moreover it is not possible to ascertain the exact incidence of sickness in various industries in India excepting perhaps a few isolated ones, such as tea and coal mines, that are situated at a distance from the cities and have, on that account or owing to statutory requirements, to make medical arrangements for their employees. My Committee therefore agree with the Government of India that the proposed statistical inquiry is not a suitable method of approach to the problem under the existing circumstances.

3. My Committee have considered the tentative scheme outlined by the Royal Commission on Labour which have met with their approval. It is well known that labour in India except in very few places does not receive proper medical aid in sickness. It is therefore necessary that some satisfactory provision be made for their medical attendance. My Committee quite agree with the Royal Commission that the responsibility for the medical benefits could best be undertaken by Government on non-contributory basis. By Government sharing responsibility for medical benefits, some large industrialists may be induced to introduce financial benefits on a contributory basis in their establishments. However, the proposal of the Royal Commission on Labour may perhaps not be worked out in its entirety. In the first place a good deal of educative propaganda will be necessary to induce the workmen to agree to a contribution towards the sickness insurance fund. My Committee feel that it will be difficult to regulate sickness benefits from such a fund on actuarial basis for lack of sufficient data as regards the incidence of sickness in different industries and the fact that it varies very widely in different parts of the country and in different industries. If therefore mortality rate is made the basis of contribution, premium rates in certain industries and places will be almost prohibitive. At any rate in the initial stages it would be desirable to leave its administration to the employer. A set of simple rules for the administration of fund would in the opinion of my Committee be sufficient. Provision of audit may be made particularly if the fund is made up of contributions by both the employer and the employee.

The Employers' Federation of India, Bombay.

In the letter of the Government of India, it was stated that the Royal Commission on Labour appeared to have in view the possibility of the ultimate establishment of a comprehensive scheme applicable to workers employed in organised industries, any such scheme being based upon a statistical foundation. But in discussing the subject, the Commission recognised that the statistical material available was insufficient, and, therefore, recommended that special enquiries should be instituted at selected centres as soon as possible. They, however, attached great

importance to actual experience and suggested a "tentative scheme" applicable to single establishments, to obtain a practical test or for independent adoption.

2. The Government of India also stated that the recommendation of the Commission with regard to special inquiries at selected centres had been examined by Government in consultation with the Standing Advisory Committee of the Central Legislature attached to the Department of Industries and Labour. Advice also was secured from the Government Actuaries' Department in London, which indicated that an elaborate analysis would be required over a series of at least five years of the experience as regards sickness and unemployment of a representative sample of the industrial population. But the Government of India considered that there was no reason why tentative schemes of the kind that the Commission suggested should await a statistical foundation. They were of opinion that such schemes can be introduced wherever medical facilities can be made available, provided that the employers and the workers are willing to make the necessary contributions. The Government of India further stated that the statistical enquiry was not the only possible method of approach to the problem, and they doubted whether any advantage was to be gained by proceeding with it, because of the expense and difficulty of maintaining correct "experience cards", and because no local Government or large body of employers was likely to institute any comprehensive inquiry. Even if that were possible at a later date, they concluded that "it would be a sounder and quicker method of proceeding to institute small and empirical schemes and to build on experience rather than on theory."

3. The Federation was, therefore, requested for its views on the feasibility of a statistical enquiry and on the alternative possibility of building on the actual experience gained in the operation of small experimental schemes. In this connection, Government desired to be supplied with detailed information of any schemes actually in operation in industrial establishments which involve the payment of financial benefits.

4. With regard to the existence of any schemes of sickness insurance or benefits in operation, I am now in a position to communicate to you information with regard to some of the industries represented on the Federation. So far as I am aware while there are no insurance schemes, there are a few benefits schemes in some industries, some contributory but mostly non-contributory.

5. So far as the Planting Industry of Southern India is concerned, I have no knowledge of any sickness insurance scheme in operation.

Moreover, the proportion of estate labour employed in factories is very small, and as there is continual exchange between the factory and the field, such labour should be regarded as agricultural. Further, they are seasonal workers. Hence plantation labour, whether in the estates or the factories, could not be suitably included in sickness insurance schemes indicated for industrial workers.

6. The oil industry have a certain amount of data available with regard to sickness benefits in the shape of sick leave under medical grounds, and I am enclosing a statement—(Appendix A)—showing the figures taken from one of its centres. Figures from other centres are not immediately available, and they could be obtained and furnished if they should prove of value.

7. In the Coal Mining Industry of Bihar, Bengal, and Orissa, there are no contributory schemes of sickness payment in operation at any of the privately owned collieries, but most of the large collieries have voluntary schemes and it is usual for allowances to be made to regular daily workers whilst sick, provided they undergo treatment by duly qualified colliery Medical Officers. I am enclosing a statement—(Appendix B)—from one of the Managing Agency Firms showing benefits available at their collieries ; and I am to add that the schemes in operation at most of the large collieries are based on similar lines. In the State Railway Collieries at Giridih a contributory scheme of sickness benefits has been in force for a number of years. As regards the Central Provinces, I am not aware of any substantial sickness benefits schemes operating in the mines, excepting a few large mines, and on account of the migratory nature of labour it is not possible for any systematical medical aid and sickness benefits to be put in operation.

8. A statistical enquiry on the lines proposed by the Royal Commission on Labour would serve no useful purpose whatsoever as far as colliery labour is concerned, as owing to the migratory nature of labour, it would be quite impracticable to collect statistics which would be of any real value in framing a scheme for industrial insurance. Not only do the workers change from one colliery to another but the majority, being agriculturists, absent themselves for long periods during the cultivating season and again at the time of harvesting, and it is impossible for colliery officials to keep trace of their whereabouts. A certain amount of statistical data could be obtained by Government from the Jharia and Asansol Mines Boards of Health, but it is doubtful whether such statistics would prove of much assistance in estimating the incidence of sickness among colliery labour. It is well known that the class of labour employed in collieries is to a large extent distrustful of medical men, and when a workman falls sick, he very often prefers to conceal the fact rather than

obtain the services of the colliery medical officer, and in many cases sick workmen are removed to their villages without any information being given to the colliery officials.

9. The alternative proposal of building on experience gained in the operation of small experimental schemes, as suggested by the Government of India, may not be impracticable but presents certain difficulties in the coal trade owing to the fact that conditions prevailing at the various collieries are vastly different. In most of the larger collieries, labour is well housed, hospital and medical facilities are available and an interest is taken in the welfare of labour—but the remarks regarding the removal of sick people to their villages apply even under these conditions. On the other hand, at many of the smaller collieries, which outnumber the larger by 3 to 1, and which produce approximately 25 per cent. of the output of coal, housing conditions are generally poor and the accommodation insufficient and there are no hospital facilities and only very meagre dispensary arrangements. It will thus be seen that experience gained from each of these entirely different conditions would present varying results and would be of little benefit as a basis on which to build a comprehensive scheme applicable to the coal trade as a whole. In addition, the tendency of colliery labour to move at will from colliery to colliery renders the application of any contributory scheme an impossibility and it would be difficult to frame rules for the practical application of even a non-contributory scheme.

10. In Madras, certain employers maintain records of their employees which might enable them to fill in the "experience cards", but none of them will guarantee the accuracy of such information, and the consensus of opinion among them is that the preparation of these cards would involve very considerable work and expense. No employers in Southern India represented on this Federation have any sickness insurance scheme in operation, though some of them have their own arrangements for the medical relief of their workers. A certain concern employing a large number of workers there reports that in some of their Works they employ the full time service of registered Medical Practitioners to look after the health of their workers, and in other Works they have an arrangement with a local hospital for the same purpose. Though there is no insurance to cover ordinary sickness, some of the workers of this particular concern obtain 14 days' leave on full pay to cover sick and casual leave, while some are allowed 14 days' sick leave on half pay per annum, and those cases which the general manager considers deserve sympathetic consideration are paid for longer periods, depending entirely on the merits of each individual case. I am enclosing a statement—(Appendix C)—giving the relevant information.

11. In the Engineering Industry, the labour force is of too unstable a nature, and individual workers stay too short a time with one employer for any insurance scheme to be universally applied, and it is considered that it will be many years before any investigations are likely to be attended by any practical results.

12. In the Paper Industry, some of the mills provide full medical attendance to the workers ; but where the workers become seriously ill, they usually prefer to go back to their villages.

13. In the Bombay Textile Industry, practically all the mills provide facilities for free medical treatment to their operatives at the mill dispensaries. Some years ago, certain mill companies introduced schemes for the payment of sickness benefits from funds voluntarily raised from contributions made by workers. As the workmen, however, were unwilling to contribute even a small monthly contribution of annas four, most of the schemes had to be given up. I am enclosing a summary* of the rules at present in force in one of the mills, but I have also to inform you that out of the total number of 7,000 workers employed in that mill, only 30 are members of the fund.

14. So far as the Tea Industry of Northern India is concerned, the following extracts from the report of the Royal Commission on Labour would indicate that it should not be necessary to apply sickness insurance schemes to tea garden labour. The Report says that "the plantation manager rarely fails to realise that, in carrying out the duty of conserving his workers' health, he is also serving his own best interests". Again in referring to the vital statistics of a number of estates which were produced before them, the Royal Commission observe that "these show that, generally speaking, the death and infantile mortality rates of plantation populations are considerably lower than the corresponding rates of the respective provinces as a whole. This seems to indicate that both economic and general health conditions are of a higher standard than those in the average rural or urban area". The Commission also add that "in the absence of Government or other medical institutions, the provision of medical facilities for their labourers is accepted by most planters as an essential part of their expenditure". Under the head of "sick benefits", the Commission say that "on certain plantations, the worker, when ill in hospital, is given free food, and a gratuity is paid to a relation acting as sick attendant. We recommend that the practice of giving free food be adopted in all plantation hospitals. The gratuity might also be made generally applicable,

*See letter from the Government of the Central Provinces.

except where a central hospital with a nursing staff makes other attendants unnecessary". Again, the labour employed on the actual manufacturing process is small: they live on the gardens under conditions which are entirely different from those of industrial employees in the urban areas.

15. A considerable number of concerns in the Tea Industry give "sick pay" in addition to free care and attention whilst the labour is sick, but it appears that there is no fixed scale for such, and that the practice varies in different estates. Some give "hazrees" during the sick period; some leave it to the discretion of the managers to afford assistance in necessitous cases from a fund which is budgetted for every year as part of the estate's expenditure; some do not give any sick pay, but whilst the labour is in hospital, food, medicines, doctors, attendant, etc., are given free, and, on discharge, light tasks are given, enabling them to have not only a period of convalescence but also affording the workmen the opportunity to earn sufficient for their needs. After a lengthy illness, a week's pay is sometimes given on discharge from hospital; in addition to the light work mentioned, but this is not general.

16. With regard to the possibility of a statistical inquiry in the Tea Industry, whilst there do exist arrangements whereby sick pay is given to Labour, the practices observed by different estates are such as to preclude any possibility of information being furnished in the manner desired. These arrangements are not so much a matter of fixed scales but of the use of, in most cases, the individual discretion of the manager, who knows his labour and has to consider such factors as the earnings of the family, which are of course of primary importance, and to which there is hardly any parallel in any industry in purely industrial areas. Further, it is impossible to give particulars of the arrangements for garden or factory labour only, as they affect the labour employed in the tea gardens and factories also. It is obvious, therefore, that in this industry neither are empirical schemes necessary, nor a statistical inquiry of practical use.

17. With regard to the opinion of the Federation on the proposals of Government, two members of my Federation, however, see no objection to the Government of India basing their statistics on actual experience gained in the operation of small experimental schemes which might be tried out in selected Government institutions in various parts of the country. The result of a three years' test could then be submitted to associations of employers for considerations.

18. Another member of my Federation, while in agreement with the idea of having a statutory scheme of sickness insurance for industrial

workers, is, however, in some doubt as to the value of the information that could be obtained by statistical inquiry as suggested by the Royal Commission, and considers that the carrying out of a statistical investigation would involve time and trouble entirely incommensurate with the value of the information that would be obtained. They feel that the better plan would be to make a study of any sickness benefits schemes that may now be in operation either in this country or elsewhere and thereafter launch a tentative scheme based on the conclusions arrived at after such a study.

19. A large majority of the members of the Federation are, however, of the opinion that in view of the difficult nature of the problems involved and the absence of practical experience of any such schemes as are under contemplation, a statistical enquiry on the lines suggested by the Whitley Commission,—without the employers being called upon to incur any appreciable expense upon it—would appear to be absolutely necessary, and that unless such an enquiry is undertaken, it would be very inadvisable to proceed with even a tentative scheme. The Royal Commission had in view that the responsibility for medical aid would be undertaken by government, possibly on a non-contributory basis. But, unfortunately, there are several industrial centres where adequate medical attendance is not available, and very often industries have to provide the necessary medical aid at extra cost to themselves. Moreover, many of the workmen are in the habit of proceeding to their villages when they fall ill and it would be difficult to administer sickness insurance, as it would not be easy to get definite information as regards the nature and duration of the illness while they are away from industrial centres. The Commission themselves say that "the main difficulties include following the workers to their villages, arranging for proper medical treatment, and providing for medical certification, in order to enable workers to obtain extended benefits should sickness continue. The lack of faith in modern medical methods is still an important factor, and the administrative expense likely to be incurred for working on a national or even on a provincial scale a system of insurance based on western lines would probably be extremely heavy. It is obvious, also that a contribution towards insurance would diminish the amount now available to the workman for his ordinary expenditure, and would be an addition to the costs of industry, and it would be very difficult to secure a sufficient contribution from the workers' wages.

APPENDIX A.

Statement showing Sickness Benefits at certain Oil Installations in Bombay.

NOTE.—These figures relate to daily-paid labour only at five installations.

Monthly paid labour and their pay during 15 days' privileges leave are excluded from the above figures.

Year.	Daily average number of persons employed.	Total wages of persons covered.	Benefits paid (sick leave under medical grounds).		
			Rs.	Rs.	a. p.
1932	1,245	4,50,924	545	14 0
1933	1,129	3,39,403	731	13 9
1934	1,112	3,99,521	1,007	15 6

APPENDIX B.

Statement of Sickness benefits enjoyed by the Labour Forces at Collieries managed by a certain Managing Agency Firm.

(i) The scheme applies to all labour employed in and about the collieries.

Pay limits of different classes of workers :—

Per day.

Miners ..	..	..	..	12 annas.
Skilled labour	..	..	..	10 annas.
Women ..	..	..	..	Rs. 0.4-6.
Loaders ..	..	..	..	6 annas.
Unskilled labour	..	..	..	6 annas.

(ii) The schemes are non-contributory being financed entirely by the Colliery company.

(iii) No statistics are kept as to the actual cost of these benefits.

Colliery.	Location of Collieries.	Medical facilities.	Hospital.	Dispensary.	Sickness allowances.		
					In Hospital.	In Dhowrahs.	In villages.
No. 1	Central Provinces	One European and two Indian Doctors. One Indian Nurse.	Two ..	Seven	Free diet and clothing	4 annas per day.	As recommended by M. O.
No. 2	Do. ..	Indian Doctor	Yes ..	Yes ..	Do.	6 annas per day.	No village labour.
No. 4	Radhanagar District.	Do. ..	No. (Patients sent to Asansol Hospital when necessary—4 miles distant).	Yes ..	Nil ..	4 annas per day.	At discretion of manager.
No. 5	Katrasgarh District.	Do. ..	No. (Patients sent to Dhanbad Hospital when necessary).	Yes ..	Annas 8 per day.	2 annas per day.	No.
No. 6	Ukhara District.	Do. ..	No. (Patients sent to Raniganj Hospital when necessary).	Yes ..	Nil ..	2 annas per day.	No.
No. 7	Rewa State	Two Indian Doctors.	Two ..	Yes ..	Free diet and clothing.	3 annas per day.	At discretion of manager.

APPENDIX C.

Statistics for the year ending 30th June 1935 with regard to a scheme of part wages for sickness in a certain concern in South India.

Number of operatives drawing less than Rs. 100 per month excluding clerks :—

Men ..	..	..	..	..	..	1,128
Women	..	..	..	..	..	75
				Total	..	1,203

Total number of persons that received sick pay for the year ending 30th June 1935, and the amount paid :—

	No.	Amount.
		Rs. a. p.
Men ..	483	1,437 14 6
Women	10	21 9 9
Total	..	1,459 8 3

Number of women during the year received maternity benefit :—

	No.	Amount.
		Rs. a. p.
Women	5	42 3 0

Millowners' Association, Bombay.

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2. My Committee desire to point out at the outset that they cannot claim to have any practical experience of schemes involving payment of sickness benefits. It is true that some years ago certain members of the Association introduced schemes for the payment of sickness benefits from funds voluntarily raised from contributions made by workers. Most of these schemes had, however, to be abandoned as the workers themselves were unwilling to contribute, though the monthly contribution in each case was as low as 4 annas. I enclose herewith for your information a copy of the sickness benefit fund rules* which are at present in force in one of these mills, but it may be pointed out that out of a total number of 7,000 workers employed in the mill, only 30 are members of the fund.

* See letter from the Government of the Central Provinces.

3. The "tentative scheme" which the Royal Commission had in view was based on the assumption that the responsibility for medical aid and for financial benefits would be separated, the former to be undertaken by Government possibly on a non-contributory basis, and the latter through employers on the basis of contributions by themselves and by the workers. In this connection, I am desired to point out that practically all members of the Association have provided facilities for free medical treatment to their operatives at the mill dispensaries and the expenditure incurred is a charge on the industry. Unless industrial establishments were relieved of this burden, it would not be possible for them to undertake further responsibilities in the shape of sickness benefits to their operatives particularly in these very difficult times. Apart from such considerations, my Committee are of opinion that in view of the difficult nature of the problems involved and the absence of practical experience of any such schemes as are under contemplation, a statistical enquiry on the lines suggested by the Whitley Commission would appear to be absolutely necessary. Unless such an enquiry is undertaken, it would be very inadvisable to proceed with even a "tentative scheme". Holding that opinion, my Committee regret they are unable to express any views on the main issues involved in the recommendation made by the Whitley Commission.

Ahmedabad Millowners' Association.

My Committee do not favour the introduction of any scheme in the nature of Sickness Insurance in view of the existing conditions in the country.

The sanitation and the hygienic conditions in most of the places are far from satisfactory. The various Local Boards and the Municipalities have not the staff of the required qualifications or the means to maintain good sanitation. Many big cities are not provided with satisfactory sewage and water works systems.

At least ninety-five per cent. of the workers do not know how to read and write. They are having whims, caprices and superstitions and therefore refuse to maintain sanitation or take proper medicines when necessary. They would rather die by quack remedies than get themselves treated properly.

Under these circumstances my Committee is definitely of the opinion that until such time these difficulties are overcome, legislation on the lines suggested above should not be undertaken.

Bombay Textile and Engineering Association.

(1) My Committee thinks that there is no scheme based on requisite statistical inquiry in operation actually in the industrial establishments of Bombay.

(2) A "Tentative scheme" can be adopted by the employers, if the Government can give them necessary assistance and financial facilities. As the times are bad, the employers would hesitate to undertake this kind of work without the necessary aid of the Government.

(3) The maintenance of the "Experience Cards" required for Indian workers' sickness investigation will undoubtedly be a difficult and costly task, but these cards can be maintained by certain well-organized establishments, provided the Government overcomes the financial difficulties.

(4) From the statistical results obtained, a comprehensive scheme of sickness insurance can eventually be framed by the Government to alleviate the hardships of the poor workmen.

Hoping that the Government of India will leave no stone unturned to make necessary investigations and to frame a comprehensive scheme.

Marwadi Chamber of Commerce, Ltd., Bombay.

We have been considering this matter for a large number of years. On the face of it it appears that the proposal is of a humanitarian nature and should be supported—when we come to consider from the practical side it is overwhelmed by so many difficulties that we believe that Sickness Insurance will lead to too much fraud on the part of the workers. The industrial workers in India are connected with agriculturists, and it is very easy for the workers to go to their homes on the pretence of illness. In fact, the workers do go to their homes and whenever they want to do so they can always pretend to have contracted some disease and take a holiday at the expense of the employer. Besides, there are no competent doctors in the villages to certify about illness and cure. On this question the conditions in India are very different from those in England, Germany, etc., where there is a permanent industrial population.

Furthermore, the present time is very inopportune for imposing further burden on the Industry. The three main industries in India are Jute, Cotton and Sugar. As regards Jute, with the increase in price of the raw material and with the threat of the new mills coming into existence, one would have to be very bold to predict the future of that industry. As regards cotton, with a few exceptions the cotton mills are running at a loss. We would, therefore, advise the Marwadi Chamber not to support such a further handicap on the Industries.

It is further to be borne in mind that the proposals of the Government did not take into account those factories which have established hospitals and dispensaries and incur expenditure to cure the diseases of their workers with their families. In any event, the concerns which have got hospitals and dispensaries should be exempted from the operation of any sickness insurance that may be introduced.

Social Service League, Bombay.

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2. My Committee agrees with the Government of India in their view that there is no reason why tentative schemes of the kind suggested by the Royal Commission on Labour in their report should await a statistical foundation. From the copies of the form of 'experience card' and of the connected instructions enclosed with the Government of India letter, it seems that the investigation to be conducted is too elaborate and my Committee is doubtful whether the requisite statistics can ever be satisfactorily collected. The investigation and the analysis have to be carried out over a series of at least five years. This work is very complicated and will involve a lot of labour and expense, and at the end of this five years' period it may be found that the result of the investigation does not provide a sure guide in framing schemes for sickness insurance. Thus there is the probability of the labour and expenses incurred in connection with the collection of statistical data proving futile. My Committee thinks that only actual experience would provide a sure and safe guide in such matters. Confronted with this probability one would naturally wish that instead of wasting a precious period of five years an experiment should be immediately started. If care is taken to proceed cautiously there is no reason why the experiment should not prove a success. There is the experience of other countries where the experiment has been tried and India can profit by that experience. No doubt there are special difficulties and special circumstances in this country, but adjustments in view of those difficulties and circumstances can be made and schemes of sickness insurance can be perfected in the light of the actual experience gained through tentative schemes. The incidence of sickness will vary from place to place and will depend to some extent upon the classes of workers employed. Different classes have different diets, different habits and different constitutions, just as some places are healthier than others. Therefore the statistical enquiry, even if it could be satisfactorily carried out, would not provide a sure guidance unless it covered all typical places and all typical classes of workers and all industries. It is, however, possible to determine the average incidence of sickness for starting an experiment. The benefits under the scheme may

be placed at a conservative scale in the beginning and be increased if it is found after some experience that it is possible to do so without any risk to the solvency of the scheme. In many Government establishments provision is made for the grant of leave with pay which can be utilised when the worker is sick, and also, as mentioned in the Labour Commission's report, a few employers make some provision for the grant of sick pay and allowances. The coal-fields in Jharia and Raniganj have been mentioned as instances in this respect. The experience with regard to the incidence of sickness gained in these establishments may provide a basis for a scheme. Some idea of the incidence and duration of sickness can also be gathered from the reports of enquiries among cotton mill operatives in Bombay carried out by the Bombay Labour Office, which have been published in the Labour Gazette of February 1931 and March 1933.

3. The tentative scheme outlined in the Royal Commission's report contemplates sick leave and not cash benefits. A more complete scheme giving cash benefits is to be devised, according to the Commission's opinion, after the statistical material had been collected. In this connection, my Committee would like to draw the Government's attention to the fact that the question of holidays with pay is to come before the next meeting of the International Labour Conference, and if the Government of India are prepared to consent, which my Committee think they should, to a Draft Convention on the subject, the question of sickness insurance will have to be treated apart from the question of holidays with pay. In case all the establishments coming under the category of organized industry are compelled to give in a year a certain number of holidays with pay to their employees, the provision for sick leave with pay or cash benefits during the period of sickness will have to be made separately, and this will have to be made on a contributory basis, though not necessarily so. It may be presumed that after having been compelled to give holidays with pay most of the employers would not go in for the sickness insurance of their employees on a non-contributory basis. Therefore, the introduction of tentative scheme on the lines indicated in the Royal Commission's report would be out of the question in the event of holidays with pay being common. The necessity for sickness insurance would remain even after introduction of holidays with pay. Periodical holidays with pay are meant for the general recuperation of health, rest and change of climate which are necessary even in the case of persons not suffering from any actual sickness. It is a preventive measure against sickness. If sickness insurance is accompanied by holidays with pay, the incidence of sickness is sure to be lowered than it is at present, and this fact has to be borne in mind in fixing the scale of benefits under a sickness insurance scheme.

4. My Committee concur with the Government of India in their views expressed in paragraph 5 (a) and (b), i.e., the maintenance of

experience cards will be a difficult and probably a costly task which it will be impossible to prevail upon employers to undertake, and that, even if the administrative and financial difficulties were overcome, statistical results obtained in the absence of benefits would be extremely unreliable because there would be no effective check on their accuracy. However, my Committee is unable to understand the significance of the remaining two clauses of the same para. which run as follows :—

- “(c) So far as the Government of India are aware, no local Government or large body of employers is at present likely to institute any comprehensive scheme ;
- (d) Even if there were prospect of a comprehensive scheme being undertaken it would be a sounder and quicker method of proceeding to institute small empirical schemes, and to build on experience rather than on theory ”.

If the above is carefully read in conjunction with the Government of India's request in paragraph 6 for being favoured with the views of local Governments and institutions interested in the welfare of Labour “on the feasibility of a statistical enquiry of the kind contemplated by the Commission and on the actual experience gained in the operation of small experimental schemes”, one is assailed by the doubt as to whether the Government of India have made up their mind as to the necessity and desirability of framing a comprehensive scheme, in spite of the unwillingness of the local Governments and large bodies of employers, to institute such a scheme. If it is to be understood that the possibility of a comprehensive scheme has to be demonstrated through small empirical schemes, my Committee would like to point out that already a few employers have, as stated in the report of the Royal Commission on Labour, made provision for the grant of sick pay and allowances and that the experiments should provide the guidance which small empirical schemes to be started hereafter are expected to provide. Besides, there is the question as to how such small empirical schemes can be started. Those few private employers who have seen the utility of sickness benefits have already introduced schemes for that purpose and it is not an easy thing to prevail upon other employers to start such schemes. The immediate consideration for them would be whether they should accept an additional burden and impose a handicap on themselves in trade competition. My Committee is, therefore, afraid that the alternative proposed by the Government of India is likely to prove as difficult as the maintenance of experience cards.

5. My Committee would further point out the fact that Japan is one of the countries where compulsory sickness insurance system is prevalent. The British sickness insurance scheme was built on the foundation of the

Friendly Societies with their years of accumulated experience, while Japan had no such experience which could be used as foundation for building a sickness insurance scheme upon. This shows the possibility of framing a scheme for compulsory sickness insurance without first having experimental schemes.

6. My Committee would, therefore, advocate the desirability of passing a legislative measure making sickness insurance compulsory. The Sickness Insurance Act that may be passed should lay down only the principles and provide a frame of general rules, just as the Co-operative Societies' Act does. Employers may frame the bye-laws of their sickness insurance schemes, suited to the special conditions of their industries and the classes from which their employees are recruited, within the four corners of the Act. This will allow some latitude to the employers in framing their schemes, and if sufficient care is taken in the provisions of the Act to see that the employers do contribute their share and use their and workers' contributions for no other purpose than sickness insurance, such schemes should work fairly successfully. The necessary adjustments can be made in the light of the experience that may be gained in the course of time and the Act itself may be amended from time to time.

7. In conclusion, my Committee would urge upon the Government of India the advisability of passing a legislative measure making sickness insurance compulsory, with a view to developing it ultimately into a State Sickness Insurance Scheme, instead of resorting to either an enquiry, elaborate and still yielding doubtful results, or small experimental schemes before passing such legislation. Too much cautiousness is likely to end in no action.

Kamgar Hitwardhak Sabha, Bombay.

My Sabha is naturally doubtful about the working of any insurance scheme for sickness, where the worker has to contribute anything. The Indian worker has yet to learn that he must pay out of his wages to get the benefits of such schemes. Any payment out of his wages of whatever nature might be considered by him as a cut in wages. Yet however my Sabha does not think it right to postpone any experiment till we get statistics, and supports the plea of the Government of India to experiment on small scales, when they think it proper.

Tramwaymen's Union, Bombay.

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The Government of India think that no advantage could be gained from conducting the statistical enquiry in this connection, in comparison
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with the cost necessary for the same. Even if such enquiry is started immediately, my Union holds that it would take at least 10 years more for the outcome of any definite scheme in view of the advice given by the Government Actuary's department in London, to the effect that "an elaborate analysis would be required over a series of at least five years, of the experience as regards sickness and employment of a representative sample of the Industrial population".

My Union is, therefore, of opinion that a small experimental scheme should, without any further delay, be undertaken by one of the Provincial Governments with the help of one of the private employers in that particular province and after a definite period, they should build up the comprehensive scheme of insurance on the basis of actual experience gained therefrom. In this respect my Union, after very careful consideration, recommends the Bombay Electric Supply and Tramways Co., Ltd., who have been, under any circumstances (even in riot times), making colossal profits for successive years beyond memory. The workers however would not be in a position to contribute even partially towards such a scheme, as the wages of workers in India are too low and are not even sufficient for their maintenance and their families.

In the meantime, the Government of India should remove or lessen the chief and important causes leading to sickness. Unless the existing hardships are eliminated, no appreciable gain can be derived from an insurance scheme. To an ailing man we can give medicine to relieve him of his illness temporarily, but unless and until the main causes leading to such an illness are explored and completely wiped out, the patient will not be much benefited and no permanent cure can be effected. My Union therefore urges the Government of India to enact immediately the legislation regarding the compulsory holidays with pay without leaving it to the international convention and to speed up legislation concerning the minimum wage, reduction in hours of work, housing scheme and other welfare work such as education of children. In the absence of such legislation, the incidence of sickness is bound to be higher and consequently the cost of the scheme as well.

Textile Labour Association, Ahmedabad.

The Textile Labour Association, Ahmedabad, is emphatically of opinion that of all contingencies in the life of a worker, the occurrence of sickness is the most terrible and it is difficult to exaggerate the importance and the beneficial effect of a measure for making relief available during the period of sickness. Even for the well-to-do, with the best medical aid at their command and ample provision for themselves and

their dependants, sickness is a painful ordeal. The employees in sheltered services, having the benefit of casual leave, privilege leave and sick leave, cannot face a lengthy sickness without being seriously upset by the fact that the extraordinary expenses mount up and the income remains the same. One can easily imagine the plight of the wage-earner who has ordinarily very little to lay by and is more often than not saddled with debt when he is laid up for any length of time, with the usual earnings stopped and unusual expenditure to provide for. When a patient is bed-ridden, he is usually in such a condition of helplessness that there must be another by the bed-side to look after him. In families of wage-earners where both husband and wife are occupied in remunerative work, the confinement of one leads to the withdrawal of both from work and therefore to a total loss of family income. In several respects, sickness has graver consequences for the worker than unemployment.

The incidence of sickness, among the workers, is to a considerable extent responsible for the indebtedness of the working class. As any body else would do, the worker readily incurs debts during the period of sickness. He cannot easily pay them back and a nucleus is formed which with the help of increasing interest charges grows into a load of debt. In illness of very long duration, even the "helping hand" of the money-lender is withdrawn. Many cases remain untreated and the neglect and malnutrition during the period of illness form the foundation for unsound health, chronic ailments, physical incapacity and early death. We have also knowledge of a number of cases of workers who while they were suffering from fever or from some other trouble remained at work and their condition aggravated with fatal results. If they had something to fall back upon, during such illness, they would not have exposed themselves to the risk of death.

While the Factory legislation for the protection of labour in the matter of hours, holidays and the special measures like the Workmen's Compensation Act, the Maternity Benefit Act, etc., have a great value in the eyes of the workers, any scheme which would relieve the gnawing sense of insecurity arising from risks of sickness would be appreciated by the workers as a tremendous boon.

It is not necessary to labour this point, however, as the need of relief during sickness is recognized on the grounds of humanity and welfare as well as the requirements of industrial efficiency and national economy.

The matter for decision at this moment is what is feasible in the circumstances of the country and how the beginning should be made. So pressing is the need that a comprehensive scheme of sickness insurance for all workers will have to be built up despite the formidable difficulties in its

way of which the existence cannot be denied. It would be a just complaint that if tentative action had been taken on the recommendations of the Royal Commission immediately after the Report both in the direction of collection of statistical material and of experimental schemes, the Government would now have been in a position to make a firm start in the inauguration of a permanent scheme. In our view, there can be no disagreement with the proposal to set up experimental schemes straight away. We are also of opinion that an advance along this line would not in any way conflict with the Royal Commission's idea of embarking on a statistical inquiry. This should also be taken up at once. The Government of India's objections to the course suggested by the Royal Commission in respect of statistical inquiry do not appear to us to constitute a really serious obstacle. We consider them here in the order in which they are stated in Government of India's letter of 30th April 1935 :—

- (a) In organized industry, the maintenance of experience cards will not at all be difficult. The factories are accustomed to keep complicated records and reports of production and efficiency and it is only a question of arming the administration with the necessary powers. Even without the power to enforce this, a considerable number of establishments could be persuaded to co-operate in the inquiry. The cost considering the importance of the issue cannot be much.
- (b) There is a liability of error, but considering the large number of cases covered by the inquiry, the degree of accuracy obtained in the final results would be sufficient for the practical requirements of a comprehensive insurance scheme in the first stage.
- (c) Whether any local Government or any large body of employers is willing to undertake a comprehensive scheme or not, does not dispose of the question. If the need and feasibility of such a scheme is disclosed a duty arises. Nothing will help more towards a clarification of the doubts in this respect than a proper statistical inquiry.

So far as the employers are concerned, those at least who are engaged in industries protected by the Government at the expense of the consumers should be left no choice in the matter. A large scope for experimental schemes immediately arises, the moment Government accepts the desirability of calling upon protected industries to shoulder this responsibility.

(d) It is open to question whether small experimental schemes here and there would by themselves be an adequate basis for building up a comprehensive system of insurance. Such schemes will furnish valuable material but they can only serve as a testing ground and help in obtaining such supplementary information of a general nature or on specific issues as a purely statistical inquiry cannot embrace in its scope.

Our considered view is that Government should proceed with the statistical inquiry on the lines indicated in the enclosures No. 1 and No. 2 of the Government of India's letter of 30th April 1935; and it should also make a start with experimental schemes with regard to the latter. It is our submission that even these schemes need not be very small. Such establishments in protected industries and even other industries as are today in a comparatively strong position and can afford the burden of such schemes should be made to participate in the experiment.

Comparing the position in India with that in Western countries the Royal Commission points out three difficulties in the way of a successful insurance system in this country :—the difficulty of following the workers to their villages, of arranging for proper medical treatment there and of providing for medical certification. The difficulties are real but they only emphasize the need of urgent ameliorative action. We take the view that the removal of these difficulties is in itself an object to which the attention and resources of the Government should be immediately devoted in the interests of the health and medical care of the mass of workers. Nothing can promote this object better than the introduction of a scheme of Sickness Insurance. The benefit which is bound to flow from it will not be confined to the provision of a certain measure of relief, but it will extend to the provision of the much more important advantage of a more satisfactory system of medical examination and treatment in the rural areas. The Insurance system will be itself the instrument of removing the difficulties which beset its path at present.

In brief, our view is that a statistical inquiry should be undertaken and alongside that experimental schemes should also be started.

Bombay Textile Labour Union and Dharavi Tannery and Leather Workers Union.

My Union thinks it necessary to offer some preliminary observations with a view to emphasise the necessity of immediate introduction of a scheme of sickness insurance. The industrial revolution hastened the process of evolving a vast class of people free from the ownership of all means of production and property in land in India, and left with the new

class of wage-earners, labour power, as their only means of maintenance, which they are forced to sell in the labour market for earning their daily subsistence. It also called into existence factory towns, with slums, vile insanitary conditions and filthy hovels ; and work places which are far below modern hygienic standard in which the workers breath in an atmosphere of dirt and dust, the effects of which on the poorly nourished physique are serious. It brought in its train overcrowding disease and death to a great degree in the ranks of this new class. The annual reports of the Public Health Commissioner with the Government of India bear unequivocal testimony to the above statement. The Director of Public Health for the Government of Bombay in his report for the year 1933 states "The number of infantile deaths was equal to a ratio of 270·30 per thousand registered births in the Bombay City. The chief causes of death shown in the returns were respiratory diseases and all other causes. Pneumonia was, as usual, prevalent in the City during the year under report." These are diseases directly traceable to bad houses, poverty, malnutrition. Eminent medical authorities have held that the incidence of these diseases increases directly with poverty, malnutrition, overcrowding and bad housing. Is it not incumbent on those who were profited by the new social order which has degraded the workers to the lowest depths of degradation and wretchedness and the State to design measures to check this avoidable slaughter of the working classes ? Sickness insurance will not make the workers less susceptible to attacks of disease that result from poverty. None the less it will relieve the worker of the agonies he has to suffer during sickness by providing him with medical treatment and maintenance allowance and will result in reducing the number of premature deaths in the ranks of the working classes. My Union is of opinion that there can be no conceivable justification for refusing to grant this mean concession to the worker in India. To deny or to delay it to the workers of India is to maintain that let the workers die of respiratory diseases, pneumonia and consumption of lungs unattended and uncared for.

The wages of the workers in India are barely enough to keep the workers' family above the poverty line. The working class population has not only to exist on a diet that is meagre but one that is actively harmful. With wages insufficient to cover the barest necessities of the workers' family, sickness becomes a catastrophe. Sickness is, next to unemployment, the largest factor that forces the workers into destitution. The worker who is ill loses his wages and has to leave the disease to run its own course, since he cannot afford to take medical assistance. Proper convaleseent care is out of question in his case, as the circumstances compel him to resume work at the earliest possible opportunity for saving his family members from starvation. The worker who contracts disease

as a result of the condition imposed upon him by the social order also finds the hands of that order turned against him. My Union is aware of cases in which the workers suffering from tuberculosis had been advised by doctors to go out of Bombay for change of climate but who had to prefer to die in harness instead of giving chance for the disease to be cured by rest and change of climate, lest their families would have been reduced to starvation if they had not continued to work. Such facts make it abundantly clear that the introduction of a scheme of sickness insurance cannot be made to depend upon any other consideration than its necessity to the working class.

My Union is in agreement with the view of the Government of India that there is no reason why a scheme of the kind suggested by the Royal Commission on Labour should await statistical foundation. The object of the investigation, it is stated, is to obtain statistics of the sickness experienced by Indian workers with a view to determine the probable cost of a scheme for provision during sickness. The cost of the scheme is entirely irrelevant to determine the necessity of the scheme to the working class in India. The statistical enquiry would establish either that the incidence of sickness among the Indian workers is low or that the costs of the scheme would be extremely heavy since the incidence of sickness among them is very high. Assuming that the statistical investigation were to lead to the conclusion that incidence of sickness is not very high, the Government and employers would not be justified in grudging to introduce a scheme which does not involve heavy expenditure. But if on the contrary the statistical enquiry established the fact that the incidence of sickness among Indian workers was abnormally high, the expediency for the introduction of the scheme of sickness insurance would be of such a nature that any delay in its introduction would be criminal. My Union is, therefore, of the considered opinion that the statistical investigation recommended by the Royal Commission on Labour is wholly unnecessary. To take up the conduct of the statistical investigation which is to spread over a precious period of five years, instead of introducing some scheme of sickness insurance, would result in unnecessary premature deaths of a large number of Indian workers.

My Union is also of opinion that necessary material for framing of a rough estimate of the cost of the scheme and of the incidence of sickness among workers is available. Government can gather some idea of the incidence and duration of sickness among the cotton mill operatives in Bombay from the reports of the enquiries carried out by the Bombay Labour Office. Government can also utilise the experience of many Government employments which provide for grant of sick leave with pay

and of a few employers who have made provision for sick pay and allowance. My Union would further like to point out that this experience makes absolutely superfluous any new empirical schemes for demonstrating the possibility of framing a comprehensive scheme. The experience which is available, in the opinion of my Union, should form the basis of comprehensive scheme of sickness insurance with which the Government should proceed immediately. There is also the vast experience of other countries where the experiment has been tried successfully on which Government can safely depend for guidance. My Union is, therefore, afraid that the alternative proposed by the Government of India is as much unnecessary as the statistical investigation recommended by the Royal Commission on Indian Labour.

The paragraph 5 (e) in the letter of Government of India states, "so far as the Government of India are aware, no local Government or large body of employers is at present likely to institute any comprehensive scheme." They declare that they recognise the need of the worker for provision during sickness but that they cannot afford to bear the burden of the cost of the scheme. To expose the hypocrisy of this attitude needs only to be pointed out that the employers do lay aside huge sums of money to insure machinery and buildings when profits are low and even nil. It will be equally untenable for local Governments to maintain that all the items on which their funds are spent are of more social use than the sickness insurance scheme for industrial workers. Besides the fear that the scheme of sickness insurance in India will involve very heavy costs seems also to be untenable. The experience of the working of sickness insurance scheme in Japan clearly indicates that the cost of similar scheme in India will not be prohibitory.

My Union would further point out that in Japan compulsory sickness insurance scheme is prevalent. In England the sickness insurance scheme was built on the foundation of accumulated experience of Friendly Societies, while Japan could build successfully a scheme of sickness insurance without the foundation of such experience. If Japan could frame and work a scheme of compulsory sickness insurance without first having experimental schemes, there is no reason why India cannot follow the example of Japan, which has illustrated the futility of such experience. My Union would, therefore, advocate the immediate necessity of passing a legislative measure making sickness insurance compulsory. A scheme of sickness insurance which is voluntary is bound to be a huge failure and will lead us in an anomalous situation. The poorer strata of working class which is very large in India would not join the scheme if it is to be voluntary. Thus those who need most some provision during sickness will be the persons without any provision.

In conclusion, my Union would like to urge the necessity of passing a legislative measure making sickness insurance compulsory, instead of resorting to either the statistical investigation or experimental schemes before passing such legislation.

BURMA.

Government of Burma.

(6th November 1935.)

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2. The Chambers of Commerce, the Tavoy Chamber of Mines, the Chief Inspector of Factories, the Warden of the Oil-fields, and several public bodies which employ labour have been consulted in the matter. All are agreed that a general statistical enquiry of the nature indicated by the Government of India would be impracticable, and if attempted, would yield no useful results. Several of the persons consulted lay emphasis on the impermanence of the industrial labour especially in the rice-milling industry.

3. As regards the alternative of proceeding with small experimental schemes, the Burma Chamber of Commerce explain that the results obtainable from the study of schemes in force in the better regulated establishments would not apply to other sections of industry. They point out that the levy of contributions from the workmen would be unpopular, and the same point is taken by the Burmah Oil Company. The Chinese Chamber of Commerce remarks: "It will not be worth while to start a small experimental scheme to gain actual experience and to obtain data in view of the fact that neither the employers nor the workers are willing to co-operate or to make the necessary contributions". Several of those consulted consider that the casual nature of employment in most industries would be a handicap to the success of any small schemes. The Tavoy Chamber of Mines remarks: "The mining industry in the district, for the most part, is well looked after by the larger mines during time of sickness and any legislation would tend to at least a modification of benefits now enjoyed. With regard to the smaller Tribute mines, we feel sure that any such proposed legislation would be quite ineffective and to a large extent evaded." A reference is also invited to the remarks of the Agent, Burma Railways. The Port Commissioners agreeing with the views of the Government of India as stated in paragraph 5 (a), (b) and (c) of their letter, hold that it would be a sounder and quicker method of procedure to institute small empirical schemes and to build on experience rather than on theory. Their letter, however, does not put forward any detailed proposals. The Chief Engineer, Public Works Department (Buildings and Roads Branch), is ready, if

required, to work out proposals for a small experimental scheme for the works-charged employees of the Electrical Branch.

4. As regards schemes actually in operation in industrial establishments for the payment of financial benefits during sickness, I am to say that as far as can be gathered there is no such scheme in force other than the grant of sick leave with allowance. Particulars of the scheme in force in the Burmah Oil Company are given in the enclosures to their letter. The Government Press has a "Fine Fund" to which all fines realised from workmen are credited and which is applied to the relief of distress among workmen or their families whether in sickness or otherwise. Free medical attendance and medicine are given in all the larger mines in the Tavoy District and some companies have a scheme of half-pay in genuine cases of sickness and injury. Similar benefits are given to the employees of the Port Commissioners and of a number of members of the Burmah Chamber of Commerce. A Sub-Assistant Surgeon attends daily at the Government Dockyard to attend to cases of sickness and injury.

5. The Labour Commissioner, Burma, considers that there is much force in the argument that a contributory scheme of sickness insurance would be misunderstood and would be unpopular with the workpeople. There are very few Trade Unions in Burma and it would be necessary for Government to manage such a scheme itself. The expense would be considerable, for it would be necessary to employ a body of inspectors to check Insurance Cards periodically. It seems necessary therefore to abandon the scheme for contributory sickness insurance.

If a contributory scheme is impossible, the alternative of a non-contributory scheme does not seem likely to hold much more promise. The cost would be too great for Government and the employers to bear, and neither of them are in a position to undertake large extra expenditure. The cost of inspection would be nearly as great as under a contributory scheme and the migratory character of labour would present great difficulties from an administrative point of view. The chances of success would, perhaps, be greater if instead of making insurance compulsory, Government decided to build on the existing foundation of free medical aid to the poor. With this might be coupled the gradual extension of sick leave with pay among working class employees in organised industry a measure which, with proper safeguards, might promote the stability of the labour force. Such a plan would mean adding to the hospital accommodation in Rangoon and probably in other towns. It might also involve the maintenance of families while the wage-earner was in hospital. It would be hard to recover a share of the cost of hospital benefits from the employer, and any attempt to do so would probably result in many of them treating their labour with less consideration than they do now. If they granted sick leave with pay, employers would be

doing as much as could be expected of them in the present circumstances. The cost of hospital treatment would, therefore, have to be met by taxation of a more general nature. These suggestions are made only to show that there is an alternative to sickness insurance schemes on the lines suggested by the Labour Commission.

6. The local Government agrees with the views expressed by the Labour Commissioner.

Chief Inspector of Factories, Burma.

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2. I do not consider that a statistical inquiry of the type referred to would be, generally, feasible. It could only cover permanent employees and in the most important industry in country, rice-milling, a comparatively small part of the labour force is permanent ; the coolies are employed through a contractor who is usually insufficiently educated to keep the records, and part at least of the mill staff comes over here for the busy season only.

3. The difficulty would be rather less if the inquiry was restricted to large European firms in the timber and oil business where employment is fairly constant and there is little indirect labour. But even if an inquiry was limited to these only would it be of any use ? I should say not. It is expected to last five years and before then it is probable that Burma will have been separated from India and I imagine that after separation this spate of labour-social legislation will subside here and there is no chance whatever of any Act for sickness insurance being introduced or, if introduced, of being passed. I entirely concur with the two objections to any statistical inquiry contained in clauses (a) and (b) of paragraph 5 of Mr. Jenkins' letter.

4. Nor am I any more in favour of basing any compulsory sickness insurance scheme on the results of empirical schemes. Any experimental scheme would almost of necessity be started in one of the best factories under competent management and there is no reason to suppose that results obtained here would necessarily agree with the results in ill-run upcountry mills.

Burmah Oil Co., Ltd., Khedauing.

We are of the opinion that a statistical enquiry such as seems to have been contemplated by the Royal Commission on Labour in India would be a difficult and costly undertaking and we are inclined to doubt if the statistics so obtained would, in fact, be sufficiently reliable to justify the expense and labour incurred in their compilation by employers.

Much of the information to be obtained by a statistical enquiry (*vide* Enclosure 1 of Government of India's letter of 30th April 1935)

is already available in the existing records of our Labour Bureau and it seems probable to us that in the organisations of other highly organised undertakings similar information is also available. We are, however, inclined to think that statistics could only be obtained readily from employers whose control of labour is already highly organised and, to the extent that Government's enquiry is prompted by a desire to legislate for those at present unprotected by any form of sickness insurance, the value of such statistics would be less than those relative to more loosely organised undertakings about which information is less easily procurable and in which provision for sickness insurance is less likely already to have been made.

We are accordingly entirely in agreement with the criticisms of a statistical enquiry put forward in sections (a), (b) and (c) of paragraph 5 of the Government of India's letter referred to above.

The alternative procedure suggested in section (d) of the same paragraph is, we agree, more practical and, as requested in paragraph 6, we enclose herewith detailed information in the form of Enclosure 2.

As regards "the assumption" of the Royal Commission "that responsibility for the medical and for the financial benefits will be separated" under a tentative scheme of sickness insurance, "the former" being "undertaken by Government possibly on a non-contributory basis, and the latter through employers on the basis of contributions by themselves and by the workers", we would draw your attention to the special form of "sickness insurance" already provided by this Company (*vide* note attached).

The B. O. C.'s medical facilities in the oil-fields are, we presume such as the Royal Commission considered might, with advantage, "continue to operate in conjunction with a State Scheme" and be financed wholly or in part by "Public expenditure directed towards the assistance of private schemes.....".

These facilities are, as you know, provided for the Company's employees entirely at the Company's expense and are, to a great extent, enjoyed by Europeans and Asiatics alike.

Consequently Asiatics receive their treatment, etc., under conditions and in surroundings above the standard normally provided elsewhere for Asiatics alone. The cost of their treatment to the Company is correspondingly higher and we presume that if Government were to "finance" our medical establishment in preference to providing medical facilities of its own, we should probably not be reimbursed to the full extent of our actual expenditure on patients receiving treatment under a State scheme of sickness insurance.

With such an arrangement the Company would, of course, have to remain free to curtail its medical facilities as and when necessary in its opinion, in the light of economic or other circumstances. We could not contemplate committing ourselves indefinitely to the maintenance of a medical establishment on the present scale.

In the matter of financial benefits under a State scheme you will appreciate from what we have written above and from our enclosures that the over-all value of these benefits to an employee of this Company is greater now than it could ever be under a contributory scheme of sickness insurance*. The present over-all value to the employee would, in fact, be reduced by precisely the amount of his contribution.

To this extent it seems probable that any contributory scheme would, contrary to the opinion of the Royal Commission, be unpopular with our employees.

Further, we are of the opinion that in order to ensure an adequate credit balance in the Financial Benefits Account of a comprehensive State scheme those industries/undertakings, such as the B. O. C. with a low incidence of sickness, would be required to contribute more than their share of the actual financial benefits payable to their own employees. The heavier financial benefits payable by industries/undertakings with a high incidence of sickness would, in fact, have to be partially met, if the scheme were to be self-supporting, by the industries/undertakings with a low incidence of sickness. You will agree, we think, that any scheme which thus penalised those with more creditable health records would be inequitable particularly in cases, such as our own, where the better health of the employees is attributable indirectly, at least, to improve conditions of housing, sanitation, bazaars, water-supplies, etc., all of which have been provided by us voluntarily and at great expense.

Sick Leave.—Leave on Medical Certificate signed by a Medical Officer approved by the Company will be granted with half pay for a period not exceeding 90 days in any one year, provided that this period may be extended at the discretion of the Company.

* * * * *

Statement showing nature and cost of scheme for the payment of Sickness Benefits.

1. (a) Name and postal address of industrial establishment. Burmah Oil Co., Ltd., Khodaung, Upper Burma.

(b) Date of commencement of scheme .. 1st January 1933.

*Unless the normal maximum period of sick leave permissible under a State Scheme were greater than 90 days p. a. which seems improbable.

2. Nature of Scheme—

(1) To what class or classes of worker does it apply ? All Asiatic employees, *i.e.*, from Rs. 15 p.m. to Rs. 300 p.m.

N.B.—Please state approximate pay limits of the different classes of workers covered.

(2) Is it non-contributory (*i.e.*, financed entirely by the employer) or contributory?

(3) What benefits are offered ?—

Medical Free medical/surgical attention including hospital accommodation and treatment at an estimated cost of Rs. 1,12,000 p. a. (Rs. 5 per patient day) *inclusive of injury cases but exclusive of any charge for hospital buildings, equipment, outside services (e.g. sanitation, water and light), etc.*

Financial Half pay up to 90 days a year. The year counts from date of engagement.

N.B.—Please attach a copy of the rules or orders regulating the operation of the scheme.

3. Cost of the Scheme—

Please furnish the following information for each of the last five complete accounts years, or if the scheme has been in operation for less than five years, for all years, since its establishment :

(a) *For Contributory Schemes.*
 (b) *For Non-contributory Schemes.*

Year.	Average daily number of B. O. C. employees on Burma Fields (excluding Monatkon Test).	Number of persons covered.	Total wages of persons covered.	Benefits paid.
1	2	3	4	5
1933	10,051	10,051	Rs. 51,75,070 10 0	Rs. 31,783 10 4
1934	10,068	10,068	51,58,352 11 0	33,397 1 st 8
For six months ending 30-6-35	9,739	9,739	24,93,669 7 0	17,676 4 1

Burma Chamber of Commerce.

The Royal Commission on Labour appear to have had in view a general scheme in which individual employers or groups of employers would maintain separate sickness benefit funds on a contributory basis. It is this conception which is referred to hereunder as a "general scheme".

2. The Chamber is not opposed to the principle of the object which the Royal Commission's proposals were intended to serve, and it is prepared to give consideration to any practical proposals in this direction, which may be put forward from time to time. The Chamber considers, however, that the Royal Commission's suggestion for a Sickness Insurance Scheme is premature and impracticable in partially developed countries like India and Burma. Taken as a whole neither industry nor labour is sufficiently organised to be able to work such a scheme satisfactorily.

3. Secondly, I am to emphasise that in the Chamber's opinion, any legislative or administrative provision, making compulsory any form of sickness benefit, whether on a contributory or non-contributory basis, should apply to all industries, both large and small. Past experience has shown that in India, social legislation, though nominally applicable to all organised industry, is, owing to difficulties of administration, generally enforced to the full only in the case of large concerns and in circumscribed areas easily accessible to Government Inspectors. Social legislation applied on these lines fails of its object, since it is only effective in the case of employees who, generally speaking, are already well looked after, and fails to benefit the employees of small concerns who are more in need of its protection. The Chamber has considered the alternative exploratory measures referred to in the Government of India's letter, from the point of view of the applicability of the results to a scheme embracing all industrial labour.

4. From this point of view, the Chamber is of opinion that the statistical enquiry suggested by the Royal Commission on page 265 of their Report, would fail to produce results capable of forming the basis for framing a general insurance scheme. Perusal of the "Experience Card" shown in Enclosure 1 to the Government of India's letter, makes it clear that only industrial concerns with comprehensive time office systems and large and highly trained staffs attached thereto, could be asked to assist in the statistical enquiry. Smaller concerns could not be expected to deal with such elaborate records, and even if they agree to do so, in many cases they would probably take the shortest cut to a completed return, and their statistics would not then be reliable.

5. Furthermore, the statistics based on the results revealed by Returns from large and well organised concerns would be unlikely to

apply to a great proportion of industrial labour, since such concerns usually maintain medical staffs to look after their employees, house them in better and more hygienic conditions than obtain in the native quarters, give due attention to questions of prophylaxis, sanitation and hygiene, pay them higher wages, enabling them consequently to maintain an improved standard of living, and provide better factory conditions and more wholesale surroundings than obtain in smaller and less closely regulated factories. The incidence of sickness in such conditions might reasonably be expected to be appreciably less than in average conditions, and it would be impossible to calculate what loading should be applied to the statistics of the larger concerns to fit them to the conditions of average employment.

6. Statistics alone, without an actual benefit scheme being in force, would not reveal the true measure of sickness which would become apparent under a benefit scheme. It appears likely that many workers would have less hesitation in reporting "sick" when sick pay was available than in circumstances in which abstention from work would mean the loss of a whole day's pay. This view is supported by the fact that it has been the experience of one large employer in Burma that a reduction in the rate of sickness benefit materially lessened the incidence of absenteeism on grounds of sickness among his employees.

7. Moreover, statistics would throw no light on the attitude of the worker towards a contributory scheme. This is an important point which cannot be overlooked. The experience of two large concerns which maintain Provident Funds on a voluntary basis, shows that a large percentage of their employees do not avail themselves of the Funds, even though there is a considerable and certain benefit in view. The attitude of mind which would willingly sacrifice cash in hand for a contingent benefit in the case of problematical future sickness, is almost entirely absent in this country.

8. For the above reasons, the Chamber is of opinion that the statistical enquiry suggested by the Royal Commission would fail to provide a reliable basis for the application of sickness insurance to industrial labour generally.

9. The other suggestion of the Royal Commission referred to in the Government of India's letter is that small experimental schemes should be put into operation by selected employers, and that their experience should be taken as the basis for the general application of Sickness Insurance. The Chamber is of opinion that whilst this suggestion is less open to objection than the proposal for the statistical enquiry, such experimental schemes would fail, to a large extent, to provide a satisfactory basis for a

general scheme. It is unlikely that any but the more enlightened employers, who are already providing medical care and improved conditions, and probably a certain amount of sick pay, to their workers would be willing to undertake such experimental schemes, and in these circumstances the results of their experience would, for the reasons given in paragraph 5 above, not be applicable to average conditions. Even in the case of these more enlightened employers, it seems hardly reasonable to expect them to embark, at their own expense and merely to provide Government with the information required to launch a general scheme, on experiments which would be certain to cause resentment among their employees against the deduction, not enforced by law and not of general application, of contributions from their wages for a benefit which the employees would regard as problematical, and which, in these particular cases, would in fact be no improvement on what they are already receiving without making any contributions.

10. The above considerations apply to the two alternative suggestions of the Royal Commission on Labour, referred to by the Government of India, but I am instructed to go further and repeat that in the opinion of this Chamber, the comparatively modern Western idea of contributory Sickness Insurance is unsuitable for application in the East, and that from the practical point of view, any attempt to introduce it into a relatively undeveloped country such as India would in present conditions be premature.

11. In paragraph 2 of your letter, you ask to be supplied with detailed information of any schemes for payment of financial benefits actually in operation in industrial establishments belonging to Members of this Chamber. In reply to this, I am to say that whilst a number of Members provide medical attention to sick employees, and, generally speaking, give sick pay, within limits, as a matter of course, no Member has in operation an actual settled scheme of Sickness Benefits in the sense, as the Chamber understands it, of the present enquiry.

Agent, Burma Railways.

I have had the proposal examined by our statistical and other departments concerned, and the result of such examination shows that it is not feasible to find a sickness insurance scheme either on statistical basis or on actual experience gained in the operation of small experimental schemes.

2. The difficulty that confronts the Railway administration is that almost 50 per cent. of the staff employed by it are not entitled to payment

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while sick, and from statistics which we have compiled it is seen that the recorded sickness of these employees represents only about one tenth of the recorded sickness of employees who are entitled to payment while sick. It thus follows that statistics will be of no assistance in the formation of a sickness insurance scheme applicable to labour as a whole.

3. It may not be difficult to adopt small experimental schemes in so far as the workshop labour is concerned, but it is almost impossible to extend this experiment to coolies employed in gangs on the permanent way who represent more than half of the labourers who do not enjoy the privilege of payment during sickness.

4. There is at present no scheme in operation on this Railway for payment of financial benefits which may be regarded as a kin to a sick benefit scheme.

British Burmah Petroleum Co., Ltd., Yenangyaung.

A sickness provision scheme for workers as recommended by the Royal Commission on Labour in India in their Report must first of all as the Commission realises, demand a statistical enquiry into the incidence of sickness among workers in order to estimate the funds required to meet such a scheme. We agree with the Commission that statistics would require to be taken over a long period and even then we are of opinion that outside of well organised industrial or other undertakings, reliable figures would be very difficult to obtain.

As far as this Company is concerned we are in a position to give particulars as proposed in Enclosure 1 of the Government of India's letter of 30th April, 1935, but to keep such records would involve us in such extra expenditure that we could not contemplate meeting it especially in view of the fact that all our workers are already provided for by way of free medical attention and wages while sick.

Our native employees are treated free in the Yenangyaung Civil Hospital for which the Company pays an amount yearly dependent on the number of indoor and outdoor patient days used. This is an arrangement wholly non-contributory on the part of the employees. Also when the employee's sickness is such that he cannot be treated at the Civil Hospital due to lack of facilities and proper equipment, he is transferred to the B. O. C. Hospital, this Company paying the B. O. C., Ltd., Rs. 5 per day for every day he is in hospital *plus* fees for any operations required.

During the period the worker is absent due to sickness, and provided he holds a Company's medical certificate the Company pays him half

wages. This benefit is limited to a period of 90 days. In enclosure 1 of their letter the Government of India proposes a limit of two calendar months for sickness benefits.

In cases of accidents while at work the worker is paid full pay unless the Workmen's Compensation Act applies, when of course he receives the sum due under the Act.

It will be seen therefore that this Company generously provides for the worker when he is unable to work due to sickness.

We are in entire agreement with the Commission that provision should be made for the worker during sickness but we consider that in the cases of private and public industrial undertakings that such provision is better left to the employers concerned. We are of the opinion that a comprehensive State Scheme would not only be very costly in operation but doubt as compared with private schemes such as our own and other large undertakings in the country, whether such a scheme would ultimately be of greater benefit to the worker as it would require to be contributory on his part. Also districts where there is a low incidence of sickness would be unduly burdened if the State Scheme were to be self-supporting as they would be paying partly on account of those districts where a high incidence of sickness is usual. Another point we would stress is that with the private scheme a bond is created between employer and employed which would be lost with the introduction of a Government Scheme.

THE CENTRAL PROVINCES.

Government of the Central Provinces.

(31st October 1935.)

A statistical enquiry of the kind contemplated by the Commission and on the lines indicated in the letter will be impracticable in view of the unlikelihood of securing the necessary co-operation of employers and of the cost of carrying it out with the requisite accuracy. The local Government agrees with the Government of India that progress in the desired direction need not be held up indefinitely till the completion of a statistical enquiry and that the method of trial and error applied to small experimental schemes will furnish a more practical approach to the solution of the problem.

2. There is, unfortunately, hardly any material available in this province for building on the basis of tentative schemes. The only industrial establishment in the province which has instituted some sort of a sickness benefit scheme is the Empress Mills, Nagpur. It appears to

be only a mutual benefits scheme, to which the response has been very poor, and the local Government is doubtful if it has any value in the present connection. Detailed information of the scheme in the form appended to Mr. Jenkins' letter is enclosed. A copy of the rules and regulations governing the scheme is also attached.

The Central India Spinning, Weaving and Manufacturing Company, Limited.

Rules and Regulations regarding Sickness Benefit.

1. This is a voluntary Fund and not compulsory.
2. The benefit of the Fund shall be open to all employees of the Mills, irrespective of their salaries or wages.
3. Any employee of the Mill can become a member of the Fund by contributing 8 annas and 4 annas monthly to the Fund.
4. Any member of the Fund whose sickness is prolonged beyond 3 days will be entitled to the benefit of the Fund as from the fourth day of the sickness.
5. In the case of sickness a member should obtain a Certificate from the Mill Doctor.
6. Each member, paying 8 annas a month will on production of the Mill Doctor's certificate be paid an allowance at the rate of Rs. 25 per month up to 6 weeks for the number of days he is sick, and at the rate of Rs. 15 per month up to 8 weeks further on if the sickness be prolonged. The allowance will, in any case, cease after a period of 14 weeks.
- 6-A. Each member paying 4 annas a month will on production of the Mill Doctor's Certificate be paid an allowance at the rate of Rs. 12-8-0 per month up to 6 weeks for the number of days he is sick, and at the rate of Rs. 7-8-0 per month up to 8 weeks, further on if the sickness be prolonged. The allowance will, in any case, cease after a period of 14 weeks.
- 6-B. For the purpose of calculating the rate of benefits any two periods of sickness unless separated by an interval of at least 12 months, shall be reckoned as one sickness.
7. The allowance will be the same, irrespective of the pay, position or length of service of the member claiming the benefit of the Fund.

8. A member, whether he has had occasion to take advantage of the benefits of the Fund or not, shall not be entitled to any refund of the amount contributed by him on his ceasing to be a member of the Fund or leaving the service of the Company.
9. On all questions of administration of the Fund the Mill Manager's authority shall be final.
10. In case of serious injury to a member, such member who has already received a lump sum as compensation for the injury, will not be entitled to the benefit of the Fund.
11. A member obtaining the benefit of the Fund shall obey the instructions of the Doctor attending him and shall answer any reasonable inquiries by the Manager of the Fund as to the instructions given by the latter.
12. No member shall have right to Sickness Benefit unless he has been a member for two months and has paid two monthly contributions.

Sickness Insurance scheme in the Empress Mills, Nagpur.

- (1) (a) *Name and postal address of Industrial Establishment.*—Empress Mills, Nagpur.
- (b) *Date of commencement of scheme.*—1st April, 1921.
- (2) *Nature of Scheme:*—
 - (a) *To what class or classes of workers does it apply.*—To all employees of the Mills, irrespective of their salaries or wages.
 - (b) *Is it non-contributory (i.e., financed entirely by the employer) or contributory:*—It is contributory.
 - (c) *In the case of a contributory scheme:*—
 - (i) *Is it voluntary or compulsory.*—It is voluntary.
 - (ii) *What is the rate of contribution by—*

<i>the employer</i>	..	<i>Nil.</i>
<i>the worker</i>	..	either 4 annas or 8 annas per month.
 - (iii) *How are contributions collected.*—Deducted while paying wages during the month.

(d) *What benefits are offered.*—As per copy of rules enclosed herewith for ready reference (*see above*).

(3) *Cost of the scheme.*—Please see statement attached hereto.

Some particulars in respect of Sickness Benefits Scheme.

Year ended 30th June.	Average daily No. of persons em- ployed.	No of persons covered.	Total annual wage of persons covered.	Opening balance in fund on 1st July.	Contributions by			Closing balance in Fund on 30th June.
					Employ- er.	Workers.	Benefits.	
1930	Rs. 649 0 0	Nil	..	..	..
1931	..	7,084	45	Rs. a. p. 15,038 669 2 9	Nil	159 12 0	139 9 3	Rs. a. p. 669 2 9
1932	..	6,852	50	14,104 750 7 9	Nil	169 8 0	88 3 0	750 7 9
1933	..	6,524	46	12,923 825 4 3	Nil	162 4 0	87 7 6	825 4 3
1934	..	6,462	43	8,624 464 9 9	Nil	146 0 0	106 10 6	864 9 9
1935	..	7,286	37	7,840 967 4 9	Nil	133 8 0	30 13 0	967 4 9

COORG.

Chief Commissioner of Coorg.

(23rd September 1935.)

Coorg is not an industrial country and contains only one factory, in which the number of men employed does not exceed 20 on the average. No female coolies are employed in the factory. The Chief Commissioner does not therefore consider it necessary to institute any statistical enquiry to devise methods for the alleviation of the hardships due to the absence of an insurance scheme. He is further of the opinion that as the number of men employed on the factory work is very small and as they do not permanently reside on the estate, it is not feasible to undertake any experimental schemes for the collection of statistical materials required.

DELHI.

Delhi Electric Supply and Traction Company, Limited, Delhi.

It appears to me that the accumulation of data as proposed by means of "Experience Cards" which would have to be completed for cash individual worker, is not practicable, for in the first case, it would involve

much labour which the Employers would be loth to undertake, and secondly, much of the data asked for would be unobtainable, with the result that a comparatively limited number of "experience cards" incompletely or incorrectly filled up would be obtained which for the purpose of statistics would be quite valueless.

I think the soundest course to pursue would be to obtain data of existing schemes employed by various undertakings, and then start small empirical schemes.

In the case of this Company sick pay is granted to all employees for absence through no fault of their own, in the scale of half pay for a maximum period of fourteen days. If the man is still sick at the end of this time and unable to return to work, he can avail himself of any privilege leave which may be due to him. Privilege leave up to fourteen days per annum on full pay is given to all men receiving Rs. 80 and less per month and not drawing overtime, after twelve months' satisfactory service. Men drawing over Rs. 80 per mensem have privilege leave up to 21 days in the year.

Thus it will be seen that this Company has no contributory scheme for sickness benefits, but it should be mentioned that there is a contributory provident fund in which all ranks whose pay is Rs. 20 or more per mensem participate.

Delhi Cloth and General Mills Company, Ltd., Delhi.

We entirely agree with the Government of India that it would be impossible for the employers to keep the statistics as desired by the Royal Commission on Labour. We also agree with the Government of India that it would be better to build on experience gained on the basis of empirical schemes rather than on theory. So far as we are concerned, we have a very efficient hospital with arrangement for indoor and outdoor patients, as also a Maternity Ward for all our workpeople, which is taken advantage of by most of them in case of sickness.

As regards the payment of wages during the period of sickness, if the Government of India would undertake and provide free of cost medical facilities or meet in full the cost of such provision by the employer and if the workers will share the cost of such payment, we think that the employers must also contribute towards such payment. We cannot agree with the Royal Commission when they suggest the refunding of the sums of money to such of the employees who leave the services and go away without claiming any part of their contributions, as it will entail a lot of trouble and expense not compatible with the object in view. In our Factory a system of contribution by the employees was in vogue for

a number of years and worked quite successfully, but during the last year it had to be discontinued on account of a demand made by a section of the employees due to advice given to them by outside agitators. This Company had a compulsory Provident system in force since 1920 which met all the objects that the Royal Commission had in view. In the year 1930 we unfortunately had a strike for the first time instigated again by outside agitators and the first demand of the agitators was to discontinue the Provident Fund system, although the Company was contributing an amount equal to the sum contributed by the employees. This fund, however, was re-started last year and will, we hope, in course of time meet the requirements of the people in case of sickness or old age.

In the end we do not think that it would be fair on the part of the Government to pass any legislation compelling the employers to provide all the facilities without the Government and the employees themselves bearing a part, as suggested by the Royal Commission.

Punjab Chamber of Commerce, Delhi.

The Committee have considered the question in consultation with members of the Chamber and they view with sympathy the introduction of sickness insurance schemes for industrial workers. They however feel that the entire burden of the cost of such schemes should not be paid by the employer alone. They are confident that if the State and the workers paid their share of the contribution to Sickness Insurance funds, employers would willingly co-operate in working such schemes by contributing an equal share.

MADRAS.

Government of Madras.

(26th November 1935.)

The Surgeon General, the Director of Public Health, the Commissioner of Labour and certain selected employers of labour and workers' organisations were consulted on the points raised in the Government of India's letter.

After considering the replies received, His Excellency the Governor-in-Council agrees with the views expressed by the Government of India in paragraph 5 of their letter and considers that no statistical enquiry of the kind contemplated by the Commission need be undertaken with a view to the ultimate establishment of a comprehensive scheme of insurance. As regards the other point referred to, His Excellency the Governor-in-Council doubts whether in the existing conditions schemes

of the kind contemplated by the Commission on pages 268-269 of their Report could be introduced in this Presidency. I am directed to invite a reference in this connection to the Hon'ble Mr. Souter's letter, *dated the 19th March 1929, communicating the views of this Government in the matter of introduction of any scheme of sickness insurance in this Province.

As regards schemes actually in operation in this Presidency, the information so far gathered, goes to show that only the Commonwealth Trust, Ltd., Calicut, has any sort of sickness insurance scheme which involves the payment of financial benefits to workers. The report submitted by the General Manager is appended.

The Commonwealth Saving and Endowment Fund.

The particulars called for are as follows:—

1. (a) *Name and Postal Address of Industrial Establishments:—*

The Commonwealth Tile Factories at—

Olavakkot, Malabar.

Codacal (*via* Titur), Malabar.

Feroke, Malabar.

Puthiyara, Malabar.

Jeppoo, Mangalore, South Kanara.

Kudroli, Mangalore, South Kanara.

Malpe, Mangalore, South Kanara.

The Commonwealth Textile Factories at—

Calicut, Malabar.

Cannanore, Malabar.

Mangalore, South Kanara.

The Commonwealth Engineering Works—

Mangalore, South Kanara.

The Commonwealth Dye Works—

Calicut, Malabar.

The Commonwealth Tailoring Department—

Calicut, Malabar.

The Commonwealth Embroidery School—

Calicut, Malabar.

The Commonwealth Depot—

Mount Road, Madras.

(b) *Date of commencement of scheme*—

1st January 1927.

2. *Nature of Scheme* :—

(1) *To what class or classes of workers do the Fund apply* ?

The Fund applies to all classes of workmen (including peons, Watchmen) except the monthly paid clerical staff (who have a separate Provident Fund).

(2) *Is it non-contributory (i.e., financed entirely by the employer) or contributory* ?

The above Fund is contributory.

(3) (a) *Is Contribution voluntary or compulsory* ?

Membership of the Fund is voluntary.

(b) *Rates of contribution by the company*.—

50% of the amounts contributed by members.

(c) *How are the contributions collected* ?

Contributions are collected from members monthly or as and when wages are paid according to the existing system in each of our branches.

(4) *What are the benefits offered* ?

Relief given at the time of sickness.

Funeral aid at death of member.

Temporary loans.

3. *Cost of the Schemes* : (Contributory Schemes).

According to the rules of the Fund, the contribution from the Company is limited to a maximum of Rs. 7,000 in any year.

LETTER FROM THE GOVERNMENT OF MADRAS, NO. 903-L., DATED THE 19TH MARCH 1929.

The Commissioner of Labour was asked to entrust the examination of the question to a small and informal committee as suggested by the Government of India, but the Committee so formed has not been able to suggest any satisfactory method of introducing a scheme of sickness insurance and is of opinion that actual experiment is the only way to arrive at a definite appreciation of the practical difficulties involved and possibly a solution. This Government doubt whether any committee

could within a reasonable time arrive at any result reasonably conclusive. A survey would have to be made of the wages paid in a large number of industries. Some knowledge also would have to be gained of the profits which those industries make in order to ascertain how far any particular industry would be able to bear the cost of the contribution which the employers would have to make. Extensive enquiries would also be necessary amongst the labourers themselves as to their willingness to contribute a portion of their wages for the scheme. All this would take time and the Government do not consider it either expedient or necessary to have such an experiment made.

2. His Excellency the Governor in Council has carefully considered the question and entertains grave doubts whether compulsory sickness insurance is at present feasible in the existing conditions in India. In the first place, the most authoritative opinion amongst those consulted is to the effect that the labourers themselves would be unwilling to share the cost which the scheme would entail and the Government concur in this view. In a large proportion of the tea and coffee plantations and in all well organised industrial concerns medical attendance is now given free and in such cases in particular labourers would object to pay a contribution for what they now get for nothing. Secondly, in a large number of industries the labour population is floating and the Government anticipate great difficulty in applying a compulsory scheme of sickness insurance to such men. This is particularly the case in the tea and coffee plantations in this Presidency where labourers leave the estates for several months in the year and return to their villages in order to cultivate their own lands or often merely to revisit their own homes.

As regards medical facilities to work the scheme it might be possible to provide them but the real difficulty would be that the labourers who are mostly illiterate would very often look askance at the allopathic system of medicine and would prefer to be treated by those who have a knowledge of the indigenous systems. This factor will greatly increase the difficulty of introducing any compulsory scheme, for the number of persons qualified in the indigenous systems who could reasonably be trusted would be quite inadequate to meet the demand and the Government are opposed to the idea of allowing workmen coming under the scheme to be treated by people who in the large majority of cases may be little more than quacks.

Further, it is almost impossible on the data available to calculate what the cost of the scheme would be particularly in reference to that portion of it which the State would have to bear. This Government have no funds at present to finance any such scheme and the resources of the Province are required to provide more important services such as elementary education and increased medical facilities and sanitary

measures which would benefit the whole population and not privileged sections of it. This is essentially an agricultural province and the Government see no reason why they should go further to confer more privileges on the small section of industrial labour which already enjoys far greater amenities in respect of education, medical attendance, water supply and other sanitary requirements than the general tax-payer in the rural tracts whose equipment in those respects lags behind that of those in towns. Illiteracy, which generally elementary education alone can break down, would be a fatal obstacle to the working out of any general scheme of sickness insurance and even if a scheme restricted to industrial labour alone were attempted, the Government see no reason why they should bear the financial burden in respect of the large volume of industrial labour employed in undertakings in this Presidency directly or indirectly under the control of the Government of India, such as railways under company management. This Government also see no reason to suppose that the local Legislative Council would assent to the additional taxation required to meet the expenditure from Provincial funds nor would it agree to funds which are required for other general purposes being diverted to such a scheme which attempts to impose on India measures which ignore Indian conditions and are based on western practice and conditions.

3. In the above circumstances, this Government are opposed to the introduction of any scheme of sickness insurance in this province.]

THE NORTH-WEST FRONTIER PROVINCE.

Government of the North-West Frontier Province.

(20th June 1935.)

There are 24 working factories in this Province employing a total of only 1099 persons and out of these, 18 are Government factories. No experimental schemes have been undertaken so far, and the Local Government consider there is not sufficient material in this Province, at present, on which to base statistical enquiries of the kind contemplated by the Commission.

THE PUNJAB.

Government of the Punjab.

(7th July 1936.)

Ten Chambers of Commerce, Trade Associations and Unions were consulted, and those which replied are agreed that the statistical enquiry referred to in Mr. Jenkins' letter would result in unnecessary

delay and not be advantageous. The Governor-in-Council agrees with this view.

2. As regards the second method of approaching the subject, building on the actual experience gained in the operation of small experimental schemes, the bodies consulted agree that the scheme might be introduced on a small scale to begin with. A copy of a note by the Director of Industries, sent herewith, gives the opinions of the various bodies consulted. The Governor-in-Council agrees that this method of approaching the subject is to be preferred to the first alternative. But as no such schemes exist at the moment, there is no experience to draw upon.

3. It is very improbable that the local Government will be able to accept any financial liability in connection with any scheme of sickness insurance, in addition to the free treatment which they already give at hospitals maintained by them to workers of the class now under consideration.

Director of Industries, Punjab.

The Royal Commission on Labour suggested that special enquiries be instituted to collect figures showing the incidence of sickness for definite groups of workers over a comparatively long period. The Government of India are not convinced of the necessity or practicability of the preliminary enquiries suggested by the Commission. The views received by me are also unanimous in opposing the holding of the statistical enquiry. It may be noted, however, in this connection that in schemes of sickness insurance, the amount of annual expenditure is generally fixed in proportion to the average number of probable days of sickness per contributor per year, and that in order to estimate this figure it is necessary that the degree probability of sickness per member during the course of an average year and the probable duration of disablement involved in each case should be known. But considering that no information has so far been collected in India in this behalf; that the collection of the requisite data, according to the expert advice tendered to the Government of India, is likely to take at least five years and that the employers are not likely to take up such an enquiry voluntarily, it would be best to agree with the Government of India that the elaborate preliminary enquiries may be dispensed with.

2. The Government of India appear to be in favour of making a beginning on a small scale on the basis of the "Tentative Scheme" suggested by the Commission. The Chambers as well as the Press

Workers' Union are also in favour of the introduction of the scheme on a small scale. That appears also to be the logical course in the existing circumstances.

The Punjab Chamber of Commerce adds in this connection that the entire burden of the cost of the scheme should not fall on the employer: the workers and the State should contribute an equal share. The Indian Chamber of Commerce is averse to making the workers, or even the employers in the existing condition of business, pay any contributions. The Northern India Chamber of Commerce, on the other hand, would leave the institution of sickness insurance schemes to the discretion of employers and would confine them to workers in receipt of wages not exceeding Rs. 50. The Lahore Press Workers Union is in favour of a compulsory scheme in which the workers should not be made to pay any contribution: the employers and the State should share half and half. It may be noted that the general practice is that the worker, the employer and the State all contribute. The worker, who is the insured person, is the principal and direct beneficiary under any scheme of sickness insurance and as a result of the contributions made by him, insurance becomes his personal affair. As regards the advantages to be gained by the employer, they may be classified under one of the following heads: harmony and solidarity between the two principal factors of production; increased output of labour owing to the conditions of safety and health in which the workers are employed. As regards the State, the justification is stated to lie in the fact that to the extent to which the State can eliminate or diminish sickness among the poor, it shall eliminate or diminish one-half the existing amount of pauperism and difficulties of the poor. Where a person with small means has to meet the risks of sickness out of his own meagre resources alone, sickness becomes a calamity and one of the most frequent causes of pauperism. Accordingly on the analogy of the schemes in force elsewhere it will be necessary for Government to make a contribution if a scheme of sickness insurance is introduced compulsorily. A voluntary scheme is not likely to work successfully.

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4. The tentative scheme suggested by the Commission is based on the assumption that responsibility for the medical and for the financial benefits would be separated, the former being undertaken by Government. The Chief Inspector of Factories suggests that the experiment be commenced with perennial factories employing 100 workers or more. If this suggestion were suggested, 59 factories, mostly situated in towns, would be affected in the Punjab. In all these places there are Government or local body dispensaries, but if Government undertook responsibility, some additional expenditure would be involved, *e.g.*, in the

shape of additional doctors, or additional allowances, and medicines. It is true that most of these workers are already entitled to free medical treatment at the dispensaries as being indigents, but some of them do not attend the allopath dispensaries. Accordingly if Government undertook special responsibility, there is bound to be additional expenditure. It is too early yet to attempt to estimate the accurate expenditure involved. It is first for Government to decide whether in the existing circumstances they are prepared to undertake any additional financial liability. It cannot be denied, of course, that as in other countries, sickness insurance will prove beneficial in India.

Chief Inspector of Factories, Punjab.

A statistical enquiry on the subject would be most difficult and at best it would be inaccurate and unreliable. Very few employers in my opinion would take any interest in such a survey.

There are no Sickness Insurance schemes in force in factories in this province except those provided for by the Railways which allow what is known as subsistence allowance to workers who are taken off duty by the medical authorities due to sickness. Sickness benefit schemes in my opinion would only operate if compelled by Government. An experiment could be tried on a limited number of perennial factories such as those employing 100 workers or more provided that the scheme would be applicable to workers having at least one year's service at their credit. The premium, if payable by the worker, would have to be very small as the wages are at a low level and very little margin is left to the average worker for insurance.

Northern India Chamber of Commerce.

The Chamber opposes the suggested statistical enquiry as being not only too costly, but as unnecessary to attain the end in view. Moreover it is not by any means certain that the results revealed would be a reliable guide to further action.

The Chamber would strongly oppose the introduction of any comprehensive scheme of compulsory sickness insurance, and it is suggested that very gradual advance be made towards the goal in view by building on the experience gained in the working of small and experimental schemes.

At the same time the Chamber holds strongly to the opinion that it must be left entirely to the discretion of employers to institute schemes

of Sickness Insurance for their workers, and that such schemes should in no case extend to workers in receipt of wages exceeding Rs. 50 per mensem.

Finally in opinion of this Chamber medical attendance should be provided free by the State.

Lahore Press Workers' Union.

We do not agree with this proposal that an elaborate statistical analysis be compiled and then any concrete scheme should be brought into operation. Such a scheme would take at least five years before any scheme can be framed and even then the Government would be without any practical experience, howsoever small, that may guide it in putting into effect the more comprehensive scheme that may be framed.

Our alternative to holding such a statistical enquiry is to start small experimental schemes in various industries and with the practical experience gained thereby a more comprehensive and general scheme may be evolved.

No such experimental schemes have so far been put into practice in any of the printing press of Lahore and so we are not in a position to place any statistics about any such scheme at your disposal.

Our own proposals for such scheme are as follows :—

- (a) It should be made compulsory for every factory to have medical officers who should after fixed periods examine the staff employed in the said factory.
- (b) The amount of sickness insurance should be started half and half by the employers and the Government. No part of the same should be deducted from the already starvation wages of the workers.
- (c) Arrangements be made for prompt payment of the amount insured for.
- (d) Proper provision be made for sick leave, etc.
- (e) In the end we particularly want to put emphasis on the fact that no such scheme, howsoever beneficial, would prove of any benefit to the working class unless proper provision is made for the enforcement of the said scheme and unless the Government is ready to stand by the workers and defends them against the vindictiveness of their employers.

when they try to get the benefits guaranteed by the said scheme. If Government is not prepared for that it is useless to proceed with such paper-legislation. Workers have had enough of them and they are tired of them.

THE UNITED PROVINCES.

Government of the United Provinces.

(2nd October 1935.)

The provincial Director of Industries and the three principal Chambers of Commerce in the province, *viz.*, the Upper India, the United Provinces and the Merchants', were consulted. All are agreed that the statistical inquiry contemplated by the Royal Commission on Labour is impracticable for the reasons stated in paragraph 5 of the letter under reference.

2. The United Provinces Chamber and the Merchants' Chamber have no objection to the introduction of small experimental schemes, wherever employers are willing to undertake them. The Merchants' Chamber approves of the tentative scheme outlined at pages 268-269 of the Labour Commission's report to the extent that medical facilities should be provided by the State and financial benefits by the employer. But it holds that complete control of the funds should be left to the employer and objects to the supervision and audit of funds by the State. The Director of Industries points out, however, that the free hand desired by the employer should not be conceded, especially as few mills recognise trade unions. The recommendations of the Labour Commission are in favour of State control. As, however, in these days of business depression, private employers cannot afford, and cannot be depended on, to inaugurate such schemes voluntarily, the Director of Industries recommends that schemes may first be tried experimentally in Government factories to enable comparatively reliable data to be collected for the calculation of the probable cost of a general insurance scheme for the whole of India.

The Upper India Chamber suggests the following Government institutions in which such experiments may be tried :—

- (1) A Railway Workshop in Bombay.
- (2) An Army Clothing Factory in the United Provinces.
- (3) A Carriage and Wagon Factory in Bengal.
- (4) The Rifle Factory at Ishapore.
- (5) A Canal Workshop in the Punjab, etc.
- (6) The Gun and Shell Factory at Cossipur.

3. The Governor in Council agrees with the Government of India that it is better to "build on experience rather than on theory", and that it would be preferable to base the necessary statistics on the actual experience gained in the operation of small experimental schemes than on the results of an elaborate statistical inquiry with its manifold disadvantages. He feels that under the present depressed conditions of trade and industry it will be difficult to persuade employers to undertake voluntary schemes, and he is inclined to support the view that experiments may be confined to factories under the control of the Government of India. In any case the very unsatisfactory nature of the provincial finances makes it impossible for the Governor-in-Council to finance any experimental schemes in this province.

4. Inquiries show that no factory in this province has a sickness insurance scheme, but that the following factories grant their female employees two weeks' leave with full pay at the time of delivery :—

- (1) Cawnpore Cotton Mills.
- (2) Cawnpore Woollen Mills.
- (3) Messrs. Cooper Allen & Co.
- (4) Messrs. Brushware, Ltd.

Government of India, Department of Industries and Labour Circular Letter No. L.-3019, dated the 1st May 1937, addressed to all Provincial Governments and Administrations.

I am directed to communicate to you the conclusions which the Government of India have reached on the subject of sickness insurance after a thorough and detailed examination of the problem.

2. The question of instituting sickness insurance schemes in India first came under the consideration of Government in 1927 in connection with draft conventions concerning sickness insurance for workers in industry, commerce and agriculture, which the International Labour Conference adopted at its 10th Session. A review of the action taken on these conventions (which were not ratified by India) is contained in the Report of the Royal Commission on Labour (pages 265-6) under the heading "International Labour Conventions".

3. The Commission discussed the whole question on pages 265-9 of their report and recommended (Recommendation No. 212) that all methods should be explored for alleviating hardship among workers

arising from lack of provision for sickness. While putting forward proposals for a tentative scheme they were of the opinion that the existing material was quite inadequate for the introduction of any complete scheme, and they recommended preliminary enquiries with the aid of a small Committee from the Central Legislature and thereafter statistical enquiries to be conducted, as the preliminary enquiries would be, with expert medical and actuarial assistance. Subsequently the results of the enquiries were to be submitted to a more formal Committee.

4. After discussion with the Standing Advisory Committee of the Central Legislature attached to the Industries and Labour Department the Government of India made preliminary enquiries with the object of drawing up a questionnaire and forms of statistics from the appropriate authorities in England in collaboration with the Public Health Commissioner with the Government of India. These enquiries suggested that a detailed analysis would be required, over a period of at least 5 years, of the experience of a representative sample of the industrial populations with regard to sickness and employment. An Experience Card was, therefore, drawn up, together with a memorandum on the method of completing the cards in selected factories over a period of five years. After a further reference to the Standing Advisory Committee on the 14th December 1933 an attempt was made to simplify the form of the Experience Card and the connected instructions but without conspicuous success.

5. The Government of India, therefore, found it necessary to re-examine the position and came to the conclusion that the proposed statistical enquiry on the basis of the Experience Card would involve labour and expense out of all proportion to the probable value of the results. They doubted whether any advantage would be gained by proceeding with the statistical enquiry for the following reasons :—

- (a) The maintenance of the Experience Cards would be a difficult, and probably, a costly, task, which it would be impossible to prevail upon employers to undertake ;
- (b) Even if the administrative and financial difficulties were overcome, statistical results obtained in the absence of benefits would be extremely unreliable, because there would be no effective check on their accuracy ;
- (c) So far as the Government of India were aware, no local Government or large body of employers were likely to institute any comprehensive scheme of sickness benefits ;
- (d) Even if there were a prospect of a comprehensive scheme being undertaken, it would be a sounder and quicker method of

proceeding to institute small empirical schemes, and to build on experience rather than on theory.

6. The Government of India, therefore, felt that it would be better to pursue the idea of introducing in single establishments actual schemes, of the type envisaged by the Commission as "A Tentative Scheme" (pages 268-9 of the report), wherever medical facilities could be made available by Government, provided that the employers and workers were willing to contribute. They placed the matter for the third time before the Standing Advisory Committee on the 28th March 1935; the Committee approved the letter expressing the above views which was issued to local Governments on the 30th April 1935.

7. The replies of provincial Governments have since been received and carefully examined. There is general agreement with the Government of India that the statistical enquiry would be too elaborate in character, besides being almost impossible to execute and, that, even if it could be carried out, it would yield unreliable results which would not be commensurate with the time, trouble and cost involved. The Government of Bombay suggested that the Experience Cards might be tested in one or two industrial establishments of the Government of India, but the experience of only one or two Government industrial concerns could not furnish adequate statistical data for general application, and with Government employees the comparison would be further vitiated by the fact that they are a selected class chosen after a preliminary medical examination. The Government of India therefore consider that further statistical enquiries are not likely to lead to any useful result.

8. With regard to the suggestion for building on actual experience of small schemes, the replies generally agree that this is a sounder method than a general statistical enquiry, but the provincial Governments point out that no experience is available on which to build. They have only been able to furnish details of 14 schemes in actual operation. The benefits provided in them vary from the mere provision of medical aid and medicine, to payment of a proportion of wages for an indefinite period during sickness. In some cases other benefits such as funeral expenses temporary loans, lump-sum payments for births and deaths are given. There are so few schemes in operation and even in them so much variety in the nature of the benefits given that these schemes cannot be used as a basis for conclusions about the incidence of cost of a sickness insurance scheme for any class of workers in India.

9. As regards initiating experiments with small schemes applicable to individual establishments, it has been urged that even these would require some preliminary statistical investigation and that the migratory habits of labour introduce a very uncertain factor into the calculations

Provincial Governments are not hopeful of being able to persuade employers to embark upon experimental schemes in the present conditions of industry and with the present wage position the workers are not likely to show much readiness to join contributory schemes. Only two such voluntary schemes for sickness benefits have been discovered and it is noteworthy that in that one of them for which full details are available only 37 out of 7,286 workers have agreed to contribute to it. Nor are provincial Governments themselves able to face expenditure on the administration of such schemes, or on the provision of extra-medical facilities for a special class of the population in urban areas which are already more liberally provided with them than rural areas, and in any case the practical difficulties of associating medical relief with the payment of such benefit are considered to be almost insuperable. To start experimental schemes in factories under the control of the Government of India, as suggested by one provincial Government, would serve no purpose in this connection since employees in Government factories generally are already much better treated under the service rules than they could hope to be under any general scheme of sickness insurance. Further experience derived from a selected class of employees would not be of use for general application.

10. At the present moment, there is, therefore, a lack of real demand for any experimental schemes on the part of provincial Governments and employers and, indeed, from workers if the schemes are to involve contributions from them. But schemes can be started by employers where conditions are favourable on the empiric lines suggested by the Commission and the Payment of Wages Act makes it possible to deduct contributions from wages for sound schemes. The powers of the Government of India are limited to legislation and as no provincial Government is in a position at present to take up the problem on general lines they cannot take any further action at this stage on this question.